

prisoner in "Cool Hand Luke" (1954) the alcoholic lawyer in "The Verdict" (1982).

Newman had never been the "cool" driver of an Academy Award-winning car. The "winter light" got through his into a raw soul.

Thompson called "The Verdict" a "menting picture, for it shows what can be broken down."

As if to escape his image as a "menting picture," for it shows what can be broken down, Newman turned himself into a "menting picture" by playing the role of a "menting picture" in "The Verdict" (1982).

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

Paris, Wednesday, March 4, 1998

No. 35,770

Clinton's Friend Remains 'Cool' In Grand Jury Questioning

Vernon Jordan's Testimony Is Expected to Hasten Close Of Inquiry Into Alleged Affair

By Brian Knowlton
International Herald Tribune

WASHINGTON — Vernon Jordan, one of President Bill Clinton's closest friends and a central figure in the allegations that Mr. Clinton sought to cover up a sexual relationship with a young woman, testified Tuesday before a grand jury here, and his lawyer said the powerful lobbyist was "fine, cool" and eager to tell the full truth.

Mr. Jordan, a personal adviser of Mr. Clinton's, spent hours answering questions that presumably touched on the core of the case. He will probably be asked to return later in the week, said his attorney, William Hundley.

White House aides, outwardly calm about Mr. Jordan's appearance, said they were pleased that he had been called to testify and were certain his testimony would confirm the president's protestations of innocence.

The investigation of the president's relationship with a young intern, Monica Lewinsky, has reportedly strained Mr. Jordan's ties to the president, making the two more "circumspect" with each other, as the White House spokesman, Michael McCurry, described it.

Mr. Jordan has been absent from some White House functions where he would normally have been expected.

While letting it be known that he has remained friendly with Mr. Clinton, Mr. Jordan has reportedly complained about being called on to handle the Lewinsky matter for Mr. Clinton without being given a full explanation of the reasons. But Mr. Hundley insisted Tuesday that "there is no rift" between the two men.

Mr. Hundley emerged after his client had been in the grand jury room for a few hours Tuesday to tell reporters that Mr. Jordan was "fine, cool," adding, "He's done it before."

Mr. Jordan's long-awaited appearance, after two earlier dates with the grand jury were postponed, appeared to bring the independent counsel, Kenneth Starr, closer to the culmination of his investigation. He is examining allegations that Mr. Clinton had an affair with Ms. Lewinsky and then sought to influence her to deny it. Mr. Clinton has insisted the charges are false.

See CLINTON, Page 13



Vernon Jordan, right, walking up the steps of the courthouse in Washington on Tuesday.



Show of Defiance in Kosovo

Thousands of ethnic Albanians gathered Tuesday to mourn and bury some of the 20 people who were killed by the Serbian police in Kosovo Province last weekend. Twenty-one graves were dug, but with Serbian police blocking roads to the town, some vehicles carrying bodies did not make it to the site. Page 6.

China's Annual Rite of Spring

Delegates Gather to Rubber Stamp Party's New Leadership

By Erik Eckholm
New York Times Service

BEIJING — The National People's Congress, an annual public rite that brings together nearly 3,000 delegates from all parts of China, begins Thursday.

This year's session holds more than usual interest because it will ratify important changes in the country's leadership, including a major trimming of the Communist bureaucracy, as well as measures to bolster endangered state banks.

Opening a new stage in China's quest for a prosperous market economy, the giant meeting is primed to formally elect Zhu Rongji — economic chief for the last several years and a onetime mayor of Shanghai — to the office of prime minister, running the day-to-day operations of government.

He will replace Li Peng who has served the two legacies permitted five-year terms and is expected to become chairman of the congress itself, say Chinese experts and foreign diplomats who track Communist Party decisions.

The president and Communist Party leader, Jiang Zemin, 71, will remain preeminent within the circle of senior leaders, who serve on the Politburo and in government posts.

Mr. Zhu, 69, is respected here and abroad for skillfully guiding the economy out of high inflation.

He will take over as China enters a new and painful phase in its economic transition, involving the pruning of vast state industries, remodeling the vulnerable banking system and dismantling the "iron rice bowl" of lifetime jobs and welfare.

His ascension also coincides with a slowdown in the nation's spectacular economic growth and a financial crisis in neighboring Asian countries that will hamper trade and investment.

Known for a sharp mind and blunt speech, Mr. Zhu has already started cracking heads in preparation for this week's congress, forcing through a wary party bureaucracy a plan to cut millions of party and government jobs and dismantle at least 10 of the country's 41 ministries and commissions.

This session of the National People's Congress, which opens Thursday and runs for roughly two weeks, is unlikely to make any major decisions on its own — as always, these were already taken to secret meetings of the Communist Party. But during this annual exercise in "people's democracy," the normally submerged iceberg of Chinese politics floats a little higher, exposing the thinking of the nation's leaders.

The legislature is far from a democratic forum: selection of its 2,980 members is supervised by

See CHINA, Page 8

U.S. Cautions Iraq: UN Backs Attacks

Russia, France and China Dispute Clinton View of Vote

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — The Security Council's warning of "the severest consequences" if Iraq breaks its agreement to allow United Nations weapons inspections gives the United States a green light in the event of further Iraqi obstruction, officials in Washington said Tuesday.

President Bill Clinton said that the UN resolution carried with it the "authority to act" — apparently a reference to military strikes.

"The government of Iraq should be under no illusion," Mr. Clinton said at the White House. "The meaning of 'severest consequences' is clear — it provides authority to act if Iraq does not turn the commitment it has now made into compliance."

Mr. Clinton avoided any explicit reference to armed strikes, but the White House spokesman, Michael McCurry, said earlier Tuesday that "severest consequences" meant military action.

That interpretation was disputed by several other Security Council members, including Russia, France and China, all permanent members like the United States. They said they interpreted the resolution to mean that military action cannot be taken against Iraq without specific authorization by the 15-country council.

Iraq's foreign minister described the resolution Tuesday as a face-saving measure for the United States.

But the minister, Mohammed Said Sahhaf, promised that Iraq would not back down from the agreement and said that Iraq did not believe the Security Council needed a resolution to enforce the deal.

"If there is any real meaning in this resolution, then it is the adoption and the endorsement" of the UN-Iraq agreement reached last month, Mr. Sahhaf said in an interview from Baghdad with Associated Press Television. "The rest is some kind of political rhetoric."

The threat of consequences if Iraq violates the accord "is meant as face-saving for the Americans," he said. "We have to concentrate on the real work and not on the rhetoric."

The Security Council stopped short of giving the United States a specific go-

ahead to use force if Iraq again breaks its promises to cooperate with the inspectors seeking weapons of mass destruction.

The resolution, approved unanimously by the council late Monday, used deliberately ambiguous language to avoid saying whether any country can decide on its own to take action against Iraq or whether the council must authorize a military strike.

As a result, U.S. officials, who contend that they do not need UN permission to launch attacks against Iraq, were able to say they do not see any prohibition

See IRAQ, Page 13

Hindu Bloc Short Of India Majority

With election results nearly complete, India found itself Tuesday facing a tense contest for power between Hindu nationalists of the Bharatiya Janata Party and a putative alignment between the Congress (I) Party and the United Front, two groups that trailed the nationalists in the distribution of parliamentary seats. Page 5.

Electoral Stakes Rise in Germany As Strike Erupts

By Alan Cowell
New York Times Service

BONN — As Germany's political titans squared off for national elections later this year, Wilfried Klumski and about 130,000 other municipal workers gave them a hint Tuesday of what their prize — or their burden — will be, whoever wins.

Mr. Klumski, 45, is a bus driver in Bonn with 20 years' experience. On Tuesday, at 4 A.M., he and his colleagues went on strike for five hours to reinforce union demands in wage talks underway in Stuttgart, as did tens of thousands of German public service workers elsewhere.

All told, Mr. Klumski said, 160 buses and 80 trains stayed in his depot in Bonn's Friesdorf district, and people walked or drove to work.

In Berlin, union officials like Mr. Klumski estimated, 1 million commuters got snarled in traffic or were late for work.

In Nuremberg, garbage collectors surrounded city hall with garbage trucks. In other cities, for brief but disruptive periods, trams stopped, clerks refused to type, schools did not open, and airline flights were canceled or delayed.

The timing of the strikes — which started Monday, the same day Germany's opposition Social Democrats nominated Gerhard Schröder to run against Chancellor Helmut Kohl in September — was a coincidence.

But the question, however unintentional, was equally clear for both co-

leaders. Both Mr. Kohl and Mr. Schröder talk of reform and modernization of the same economic system that provides people like Mr. Klumski with an array of benefits that is the envy of many in Europe.

And so, as Germany faces pressure to cut back on its welfare state, how much will people like Mr. Klumski and his comrades take when the bosses start talking about less sick pay and more expensive retirement pensions?

See GERMANY, Page 8

'No Quick Fixes,' U.S. Emissary Warns Suharto

By Seth Mydans
New York Times Service

JAKARTA — Former Vice President Walter Mondale said Tuesday that he had urged President Suharto to press ahead with economic reforms demanded by the International Monetary Fund.

"There are no quick fixes," the American said after a 90-minute meeting during which he said he had delivered a "confidential message" from President Bill Clinton. "President Clinton is concerned over the economic hardships of the Indonesian people," Mr. Mondale said. "The president remains engaged in this issue, and that is the reason why he decided to send me as a personal emissary to meet with President Suharto."

"We discussed the efforts that have taken place to restore stability and economic growth in Indonesia. We also discussed what steps were necessary to restore confidence."

He added, "I believe that the central step in restoring confidence is the full, demonstrable, visible implementation of the IMF reforms."

Japan and France added their voices to Mr. Mondale's push for following the IMF's prescription, Reuters reported.

"I do not like to comment on the policy of the other country, but it is very important when you implement certain programs you investigate the feasibility," the Japanese deputy finance minister for international affairs, Eisuke Sakakibara, said.

Treasurer Jean Lemierre of France said his

country's support for a plan to guarantee Indonesian lenders of credit depended on the implementation of IMF reforms.

[Megawati Sukarnoputri, an Indonesian opposition leader, pressed Mr. Suharto for a better explanation of the country's economic turmoil.]

Mr. Suharto made no public comment after his meeting with Mr. Mondale. But a spokesman said the president had voiced concern that despite IMF intervention, the Indonesian rupiah had not risen above 30 percent of its value last summer.

"President Suharto explained the importance of IMF support because of its high reputation, but the president also explained that there had been no

See INDONESIA, Page 4

Asian Firms Beat a Retreat From U.S.

By Andrew Pollack
New York Times Service

LOS ANGELES — When Hyundai Electronics Industries Co. of South Korea acquired Symbios Inc. from AT&T Corp. for more than \$300 million in 1994, it marked the beginning of a spurt of investment by South Korea's ambitious companies in the American market.

Now Symbios, a Colorado semiconductor company, might represent the beginning of a wave of divestitures in the wake of Asia's financial crisis. Anxious

for cash, Hyundai just sold Symbios to Adaptive Inc., a Silicon Valley company it had beaten in the bidding in 1994. The deal, announced Thursday, took less than three weeks to complete at a price of \$775 million, considered low by analysts.

"There's nothing like having an 'I'm-going-to-sell-this-seller-and-a-willing-buyer,'" said F. Grant Saviers, president of Adaptive.

The Asian financial crisis has dealt a body blow to the U.S. operations of South Korean and other Asian companies. Subsidiaries and real estate are

being sold, branch offices closed, people laid off or brought home, and once-ambitious investment plans are being scaled back or put on hold. The impact has been felt most in New York and Los Angeles, where Asian investments and businesses are concentrated.

"Most of the companies in Korea are cutting back," said Young Kim, president of the Korean Chamber of Commerce and Industry in the United States. "Every subsidiary in the United States

See KOREA, Page 4

Gates Goes to Washington

Software King Defends Microsoft to Senators

Courtesy of Our Staff From Dispatches

WASHINGTON — Members of the Senate Judiciary Committee closely questioned Bill Gates, the richest American, on Tuesday, in hearings on competition in the U.S. software market that focused on whether Microsoft Corp. should be regulated as a monopoly.

Mr. Gates held his temper and put in a generally good performance under the scrutiny. He rejected charges that his company holds a monopoly in computer operating systems and was seeking to turn the Internet into a private "toll road."

The Justice Department has charged that Microsoft is leveraging its dominance in operating-system software to gain business in the market for Internet browsers.

It was the first time that Mr. Gates had

testified to Congress. Technology companies in general, and Microsoft in particular, tend to keep low profiles in Washington. Although Mr. Gates was joined at the hearing by two of his most visible critics, they sought only enforcement of antitrust regulations against Microsoft, not new regulations on the industry.

Scott McNealy, chairman of Sun Microsystems Inc., likened Microsoft's effective monopoly in personal-computer operating systems — the company's Windows software is on about 90 percent of new units sold around the world — to control of the English language.

"We think, left unchecked, Microsoft has a monopoly position that they could use to leverage their way into

See GATES, Page 13

AGENDA

Senate Panel Backs NATO Expansion

WASHINGTON (Reuters) — The Senate Foreign Relations Committee on Tuesday approved expanding NATO to include Poland, Hungary and the Czech Republic and sent the measure to the full Senate for its expected approval.

The vote was 16 to 2, with some members expressing reservations about the alliance's future military mission and about enlargement.

The panel chairman, Jesse Helms, Republican of North Carolina, said it appeared the resolution would pass the Senate "by an overwhelmingly positive vote" and called the development "an obvious vote of confidence in the democracies of Eastern Europe."

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In Sudan, the War Stagers On

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Russia May Legalize Prostitution

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Italy	2.800	Lira Spain	225 Ptas
Italy Coast	1.250	CFA Tunisia	1.250 Dh
Jordan	1.250	JD U.A.E.	10.00 Dh
Kuwait	700	Fils U.S. Mil. (Eur.)	1.20

The Dollar

New York	Tuesday @ 4 P.M.	previous close
DM	1.8104	1.8143
DM	1.6515	1.6463
Yen	128.34	125.59
FF	6.07	6.0837

The Dow

	Tuesday close	previous close
+34.38	8584.83	8550.45
S&P 500		
change	Tuesday @ 4 P.M.	previous close
+4.32	1052.02	1047.70



Bill Gates before the Senate Judiciary Committee on Tuesday, rejecting accusations that he is seeking a monopoly in computer operating systems.

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Riven by War/ 'Like the Americans in Vietnam'

The Misery of Stalemate in Sudan

By James C. McKinley Jr.
New York Times Service

JUBA, Sudan — Six days a week, Captain Dewhi Mustafa bridges the gap between two worlds separated by religion, race and decades of civil war. Each morning, he pilots a cargo jet loaded with food and fuel from Sudan's mostly Arab and Muslim capital, Khartoum, and flies hundreds of kilometers up the Nile to the port of Juba, the economic hub of the mostly Christian southern region and a government outpost surrounded by rebel forces.

"I myself believe that it would be better to be two states," the former air force fighter pilot confides, echoing the view of many Sudanese Arabs in the north who are weary of the fighting. "We need to reach this point of truth. We can't live together."

For nearly a year, Juba has been isolated by the latest series of rebel offensives. For months, rebel leaders in Nairobi have predicted that this major river port, which controls access to the lower Nile, is about to fall. Yet the town has remained defiantly in the hands of the government, supplied only by air and river barge, and its isolation is in many ways emblematic of the stalemate that this conflict has become.

But even if it is isolated, Juba is not on the point of collapse. To a visitor, it is not even obvious that it is under siege. The streets are calm. There are no fortifications or heavy artillery ringing the town, and there are no distant sounds of warfare to be heard.

Though prices are high, the markets seem well stocked with food, shoes, clothes, tools and handicrafts. And although the town is a government stronghold, Islamic laws are not enforced.

For 15 years, southern rebel groups have been fighting successive Arab-dominated governments for more autonomy, racial equality and religious freedom. More than 1 million people are believed to have died in fighting or in famines caused by the conflict.

Since last March, the main rebel faction, the Sudanese People's Liberation Army, has stepped up its offensives in the south with some help from Uganda, Eritrea and Ethiopia, which dislike the Khartoum government because it supports rebel insurgencies in their own countries.

In late January, the rebels attacked and briefly held three large towns in the southwest before being beaten back. Northern opposition leaders have opened a second front in the east, raiding Sudan from bases in Eritrea.

In spite of this onslaught, the government continues to

control major towns in the south like Juba and most transportation routes. The Liberation Army, under the command of John Garang, holds a strip of land and at least eight sizable towns along the southern border, as well as two towns in the southwestern state of Bahr el Ghazal.

Neither side appears able to deal a decisive blow. Sudanese military officers say. But the rebel forces continue to bedevil government troops with guerrilla tactics in the countryside, inflicting a steady stream of casualties and costing the north at least \$1 million a day.

"It's like the Americans in Vietnam," a Sudanese military officer based in the southwestern town of Wan said. "We control all the towns and some of the small villages near those towns. The rebels have the bush. There is no need for us to control the bush. Sometimes we try to chase them."

The conflict, dragging into its fourth decade, began its current phase when the government adopted Islamic law in 1983. Many northerners like Captain Mustafa are ready to seek peace at any cost, even if it means letting the south secede.

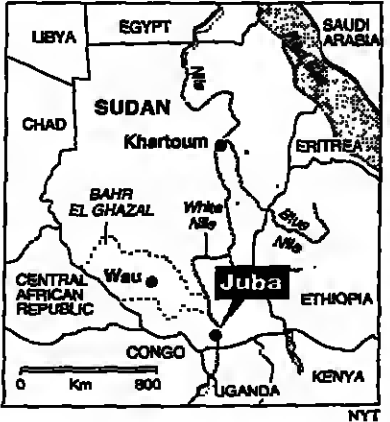
The government has pinned its hopes on a peace agreement it reached with the leaders of five small rebel factions in April of last year. The agreement exempts the southern states from Islamic law and calls for a referendum on independence within four years. But Colonel Garang has rejected the accord, saying his fighters want a united Sudan with a secular state. Peace talks between the government and Colonel Garang are supposed to resume in April.

In Khartoum, where high school students are being inducted into the army as soon as they pick up their diplomas, more and more young men are dodging the draft. Recruiters have begun arresting young men of draft age on buses and at traffic roadblocks, press-gang them into military service without telling their families, anti-war advocates say.

Some families have sent their teenage sons abroad on tourist visas. Others are keeping their sons from graduating to avoid the draft. In December dozens of mothers were arrested after they protested against the war in the capital.

"When we go to the market, everyone is talking about how 'I'm not sending my son anymore to final exams,'" one of the organizers of the protest, Fawzia Fadil, said. "This regime is killing our children."

But even as the anti-war sentiment here gathers momentum, conservatives in the north have tried to turn the conflict into a religious crusade. The Islamic party that controls the government has portrayed the most recent rebel offensives as the work of foreign powers, especially the United States and its



Rebels of the Sudanese People's Liberation Army, training in the Nuba Mountains, have kept the major cities of the south isolated, but they have been unable to deal a decisive military blow.

allies in the region: Uganda, Ethiopia and Eritrea.

Some conservative Muslims have responded to the government's call for what hard-liners in the governing party call a jihad, or holy war, against foreign invaders. Last year, for instance, 17 young volunteers mounted suicide missions to stop rebel tanks and armored personnel carriers from reaching Juba. The soldiers strapped bombs to their bodies, climbed onto the tanks 40 kilometers (25 miles) outside town and detonated the charges.

FOR JUBA in the last year, the growing war has meant isolation, high prices and more hunger. Every day, four Boeing 707s arrive from Khartoum, carrying flour, onions, sugar and fuel, at a cost of nearly \$15,000 a flight. Every few days a barge full of goods arrives from Khartoum. Though the markets are still full of goods, the prices are out of the reach of many people, merchants and residents said.

At the same time, the population of the town has swollen as tens of thousands of frightened people have flooded into Juba from rebel-held towns farther south in the last five years. It now stands at about 650,000. UN officials say that in the last year, at least 36,000 refugees from the fighting have arrived here.

"It is very difficult here, you know," said Skopas Godi Abina, a traditional chief who represents thousands of displaced Kuku tribesmen in Juba. "One is hungry, and the hunger brings weakness and disease, and there is the lack of medicine. We lost many people, especially old people and young children."

Reporters who visited Juba recently were accompanied everywhere by military officers, and many people declined to talk about the rebels or their popular support with military officers present. One man said some Christians in the city were sympathetic to Colonel Garang's forces. The south has been neglected for years by northern governments, he said. The town has only a few paved roads, one faded college and few government buildings. Most people live in traditional mud houses with thatched roofs.

"Definitely they support the rebels, but quietly, not openly," he said. In private, several Sudanese military officers acknowledged that the war cannot be won as long as the rebels receive support from neighboring countries.

On the other side, rebel officials acknowledge that they have no hope of taking over a country half the size of the United States. Their aim, they say, is to wear the National Islamic Front's government down, sapping its resources until it falls.

TRAVEL UPDATE

3 Pyramids Opened to Public

CAIRO (AP) — Three royal pyramids belonging to the mother and two wives of Cheops, builder of Egypt's largest pyramid, were opened to the public for the first time Tuesday, together with 10 Old Kingdom tombs.

The pyramids are dedicated to Queen Hetepheres, mother of Cheops, and his wives, Queen Merit-it-Is and Queen Henntsen, antiquities officials said during a ceremony that also included the reopening of the Mykerinos pyramid after one year of restoration work.

The Queens pyramids, located southeast of Cairo, are less than 10 meters (33 feet) tall and consist of a funerary chamber with bare walls that can be reached from a steep ramp. They are located on the east side of Cheops. The tombs of nine nobles and a son of Mykerinos, builder of the smallest pyramid among the famous Giza trio, were also opened for the first time.

In the newly restored Mykerinos pyramid, a ventilation system was installed to provide visitors with clean air.

Swissair Heads to East Europe

ZURICH (AP) — Swissair will begin operating flights to five East European destinations starting May 1. The destinations are the Latvian capital, Riga, four times a week; the Azerbaijani capital, Baku, and the city of Samara in Russia, three times a week, as well as twice-weekly flights to the Armenian capital, Yerevan, and the Georgian capital, Tbilisi.

Italian railroad unions called a one-day strike for March 13 to protest a decision to dismiss three state railroad workers involved in two separate crashes in 1987. The largest of the unions also called for a strike March 11.

A Korean Air cargo jet flying from New York to Seoul on Tuesday became the first commercial South Korean plane to cross North Korean-controlled airspace since the Korean War. North Korean airspace is to open to international flights starting April 23. In the meantime, Pyongyang has begun allowing international flights to use its airspace on a trial basis.

Poland Takes Over Cloister Near Auschwitz

The Associated Press

WARSAW — Carmelite nuns have turned over a former cloister opposite the Auschwitz death camp in Poland to the Polish government for use as a Jewish cemetery.

But two government spokesmen said they were seeking an agreement with Jewish groups to retain the 16-foot cross commemorating a 1979 papal Mass at the site.

An Interior Ministry official, Boguslaw Sikora, said he hoped a compromise could be reached.

Krzysztof Slivinski, a government liaison to the Jewish Diaspora, suggested that instead of removing the cross, it should be cut down to a smaller size and be moved to a less prominent location at the site.

The spokesman for the Catholic Church in Poland, Bishop Tadeusz Pieronek, said the suggestions were unauthorized and did not conform with

agreements worked out with the Vatican and local church authorities to remove the cross.

Jews have long been upset about the placement of Catholic symbols at or near Auschwitz, and protested the papal cross located about 80 feet (25 meters) from the former Nazi death camp.

The government announced two weeks ago that the cross would be removed before it took ownership of the former cloister and that the Culture Ministry planned to build a monument to executed prisoners where the cross stood.

The Auschwitz-Birkenau camp, in the southern city of Oswiecim, was built in 1940. By 1945, some 1.5 million people, mostly Jews, died there in gas chambers or from hunger, disease and cold.

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Unesco Seeks To Preserve Lebanese Port

Agence France-Press

TYRE, Lebanon — Unesco began an international campaign Tuesday to help safeguard Lebanon's southern port city of Tyre, one of the world's most ancient urban metropolises, dating from 3,000 B.C.

"Tyre is in danger," said Director-General Federico Mayor Zaragoza. "It is threatened by the erosion of time, a modernization little concerned with historical remains and pollution that threaten to destroy this crossroad of cultures and civilizations."

Mr. Mayor called on the international community to help preserve Tyre by donating to a special fund for the preservation of the city's heritage.

Unesco — the United Nations Educational, Scientific and Cultural Organization — aims to draw up plans to preserve the city's ruins, formulate construction codes, gather funds and carry out excavations.

Tyre, home to an important Roman amphitheater and damaged repeatedly by Israeli invasions, was designated by Unesco as a cultural and architectural landmark in 1984.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe

City	High	Low	Wind	Clouds
Algeria	20/23	14/27	SE	100%
Amsterdam	12/23	5/11	SE	100%
Athens	18/23	10/21	SE	100%
Berlin	17/22	9/18	SE	100%
Bombay	28/31	23/25	SE	100%
Buenos Aires	19/29	14/18	SE	100%
Calcutta	28/31	23/25	SE	100%
Cairo	24/27	14/27	SE	100%
Dubai	24/27	14/27	SE	100%
Hong Kong	24/27	14/27	SE	100%
London	12/23	5/11	SE	100%
Madrid	17/22	9/18	SE	100%
Moscow	12/23	5/11	SE	100%
New Delhi	28/31	23/25	SE	100%
Paris	12/23	5/11	SE	100%
Rangoon	28/31	23/25	SE	100%
Seoul	12/23	5/11	SE	100%
Taipei	12/23	5/11	SE	100%
Tokyo	12/23	5/11	SE	100%
Yokohama	12/23	5/11	SE	100%

Middle East

City	High	Low	Wind	Clouds
Abu Dhabi	28/31	23/25	SE	100%
Bahra	28/31	23/25	SE	100%
Bombay	28/31	23/25	SE	100%
Buenos Aires	19/29	14/18	SE	100%
Calcutta	28/31	23/25	SE	100%
Cairo	24/27	14/27	SE	100%
Dubai	24/27	14/27	SE	100%
Hong Kong	24/27	14/27	SE	100%
London	12/23	5/11	SE	100%
Madrid	17/22	9/18	SE	100%
Moscow	12/23	5/11	SE	100%
New Delhi	28/31	23/25	SE	100%
Paris	12/23	5/11	SE	100%
Rangoon	28/31	23/25	SE	100%
Seoul	12/23	5/11	SE	100%
Taipei	12/23	5/11	SE	100%
Tokyo	12/23	5/11	SE	100%
Yokohama	12/23	5/11	SE	100%

Africa

City	High	Low	Wind	Clouds
Algeria	20/23	14/27	SE	100%
Amsterdam	12/23	5/11	SE	100%
Athens	18/23	10/21	SE	100%
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Seoul	12/23	5/11	SE	100%
Taipei	12/23	5/11	SE	100%
Tokyo	12/23	5/11	SE	100%
Yokohama	12/23	5/11	SE	100%

Asia

City	High	Low	Wind	Clouds
Algeria	20/23	14/27	SE	100%
Amsterdam	12/23	5/11	SE	100%
Athens	18/23	10/21	SE	100%
Berlin	17/22	9/18	SE	100%
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Rangoon	28/31	23/25	SE	100%
Seoul	12/23	5/11	SE	100%
Taipei	12/23	5/11	SE	100%
Tokyo	12/23	5/11	SE	100%
Yokohama	12/23	5/11	SE	100%

North America

City	High	Low	Wind	Clouds
Algeria	20/23	14/27	SE	100%
Amsterdam	12/23	5/11	SE	100%
Athens	18/23	10/21	SE	100%
Berlin	17/22	9/18	SE	100%
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Seoul	12/23	5/11	SE	100%
Taipei	12/23	5/11	SE	100%
Tokyo	12/23	5/11	SE	100%
Yokohama	12/23	5/11	SE	100%

South America

City	High	Low	Wind	Clouds
Algeria	20/23	14/27	SE	100%
Amsterdam	12/23	5/11	SE	100%
Athens	18/23	10/21	SE	100%
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Tokyo	12/23	5/11	SE	100%
Yokohama	12/23	5/11	SE	100%

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THE AMERICAS

Battle Looms on Tax Code

Clinton Opposing Republican Attempt at Abolition

By Richard W. Stevenson
New York Times Service

WASHINGTON — President Bill Clinton has taken aim at a Republican proposal to abolish the federal tax code by the end of 2001, calling it an irresponsible gimmick that could endanger American prosperity.

Setting up a political clash over a fast-developing issue that the Republican leadership in Congress has put high on its agenda this year, Mr. Clinton said Monday that the proposal would create so much uncertainty for businesses and individuals that the economy could come to a halt.

The proposal, which Congress could vote on in the next few months, would require that the current tax law be scrapped by Dec. 31, 2001, allowing three years for a national debate on what kind of new system to adopt.

The proposal would not specify what should take its place but calls for Congress to decide on a new tax code by the middle of 2001.

The Senate version of the bill has 25 Republican sponsors and is supported by Trent Lott of Mississippi, the majority leader. The House version has 137 sponsors and the support of Speaker Newt Gingrich of Georgia.

White House officials said they took seriously the possibility that the legislation could pass this year, though its chances of overcoming Democratic opposition in the Senate appear to be slim.

But in a speech Monday, Mr. Clinton all but promised to veto the measure if it ever reached his desk.

"Under the guise of reform, they have proposed what, to me, is an irresponsible scheme to eliminate our tax laws without any system to replace them," Mr. Clinton said.

Without knowing what the tax code would be, he said, companies would be unable to make investment decisions and families would face considerable uncertainty in buying homes, saving for college and retirement and other economic decisions.

In the vacuum, he said, growth could stall, and job creation and the nation's newfound

fiscal stability could be put at risk. "Scrapping the home mortgage deduction, scrapping the other middle-class tax cuts without presenting a clear alternative is simply reckless for the economy, reckless for businesses, reckless for families' budgets," Mr. Clinton said.

"And I will not permit it, if I can stop it, but it shouldn't pass in the first place."

Clearly concerned about being portrayed by Republicans as a defender of the current tax system, with all its complexities and abuses, Mr. Clinton repeatedly said that he was not opposed to an overhaul of the tax code.

But he left no doubt that neither of the leading Republican ideas — a single-rate flat tax and a national sales tax — would meet his requirement that the tax burden not be shifted from the wealthy onto middle- and low-income people.

And while he said the administration would continue to look for ways to simplify the income tax system and make it more fair, he offered no sweeping overhaul proposals of his own.

Senator Tim Hutchinson, Republican of Arkansas and a sponsor of the Senate bill, said, "I will leave it to the president to defend today's cumbersome tax code, but I will continue to call for a far simpler tax system that benefits taxpayers of all income levels."

"I trust the American people will be able to decide which is more 'irresponsible' — our current incomprehensible tax code or a better system rebuilt from the ground up."

While many Republicans believe that creating a new tax code is both good economic policy and good politics, they have been unable to agree among themselves on which of the many alternatives to support.

Many Democrats are happy to see the topic become an issue in this year's midterm elections, believing that any new tax system will become difficult for Republicans to defend, once they have to address such specific changes as the elimination of the deductions for home mortgage interest and charitable contributions, as most versions of the flat tax and the national sales tax would require.



TREASURE SEEKERS — Beachcombers gathering on the shore in Santa Cruz, California, where storms in recent weeks have left tons of debris on the beach, which borders an amusement park.

Away From Politics

• A woman was sentenced to more than 12 years in prison because her three Rottweiler dogs mauled an 11-year-old boy to death in Junction City, Kansas. Sabine Davidson was convicted in January of unintentional second-degree murder and child endangerment in the April 24, 1997, death of Christopher Wilson. Christopher was waiting for a school bus with his brother when he was attacked by the dogs owned by Mrs. Davidson and her husband. (AP)

• American children suffered 58,400 injuries from trampolines in 1995, nearly twice as many as six years before, according to a report in Pediatrics magazine. Ninety-three percent of the injuries occurred at home, the study said.

• A 50-year-old Russian immigrant jumped to his death from a ninth-floor window at the Federal Office Building in New York, after walking into the offices of the Immigration and Naturalization Service and asking to be deported because he had lost his job. The man's name has not been released, pending notification of relatives. (NYT)

POLITICAL NOTES

Transportation Bill Gains

WASHINGTON — Taking advantage of a booming economy and a balanced budget, Senate negotiators have reached an agreement on the broad outlines of a six-year, \$173 billion transportation bill that would significantly increase spending on roads and bridges in every state.

Although details of the agreement must still be worked out, the legislation is expected to call for shifting a larger portion of federal highway funds to southern states, which have long complained that they do not receive their rightful share of revenues from a federal gasoline tax that finances transportation projects.

Senator Trent Lott, the majority leader, said he expected the Senate to pass the bill in the next week or two. The House, which is considering a version of the measure that spends significantly more than the Senate agreement, has not yet taken up its bill. (NYT)

Drunk Drivers Under Fire

WASHINGTON — Citing the case of a 9-year-old girl who was killed by a drinking driver while she waited for a school bus, President Bill Clinton was adding his voice Tuesday to those urging states to get tougher with anyone who drinks and drives. The president will support a proposal in Con-

gress under which states will be asked to lower to .08 percent from .10 the blood-alcohol level at which a driver is declared legally drunk. If the states balk, they risk losing certain federal highway funds. White House officials said. (AP)

Quote/Unquote

Dick Gephardt, the House minority leader, a possible challenger for the Democratic presidential nomination in 2000, on laughter and politics: "People need to get to know who you really are. I like to have fun. I love to laugh. I've always loved comedians. When I was a kid, I did a comedy routine in high school." (AP)

N.J. Court Says Scouts Violated Anti-Bias Law

New York Times Service

HACKENSACK, New Jersey — Asserting that the Boy Scouts of America are essentially a public accommodation, like a hotel or a restaurant, a New Jersey appeals court has ruled that the organization violated the state's anti-discrimination law by ousting a gay Eagle Scout.

A divided three-judge court ruled that because the Scouts openly recruited members from among millions of boys nationwide and because its troops met in public places like churches and firehouses, it was covered by the discrimination law and thus could not exclude anyone because of his sexual orientation.

The lawyer for the Boy Scouts' national headquarters, George Davidson, of New York City, said the organization would appeal the ruling to the New Jersey Supreme Court.

The ruling Monday was one of a number of recent cases around the country challenging a 1978 Scouts' policy that says that declared homosexuals cannot be members or leaders.

High Court Ruling Protects Legislators

The Associated Press

WASHINGTON — The Supreme Court ruled Tuesday for the first time that local legislators, like city council members, can never be sued for actions that are part of "legitimate legislative activity."

Ruling unanimously in a case from Fall River, Massachusetts, the nation's highest court gave local legislators the same "absolute immunity" from civil rights lawsuits enjoyed by their federal, state and regional counterparts.

Justice Clarence Thomas wrote for the court that absolute immunity for local legislators "finds support not only in history but also in reason."

The ruling does not shield city officials from lawsuits stemming from the many administrative matters they carry out, such as hiring and firing employees or dealing with the public. But it does shield them for their legislative functions, such as introducing or enacting an ordinance.

People who believe their rights were violated by some legislative action are still free to sue the city or governmental entity. The ruling Tuesday, however, thwarts their efforts to sue the individual officials.

"Had this decision gone the other way, no city hall in America would have been safe," said Bruce Assad, one

of the winning lawyers. "Every elected official's vote would have been the potential subject of a lawsuit."

The decision threw out a \$251,000 damage award against two former Falls River officials for eliminating a city worker's job after she complained that another worker used racial slurs.

Surplus Is Seen At \$8 Billion

The Associated Press

WASHINGTON — The Congressional Budget Office has projected an \$8 billion surplus for this year, a congressional aide said Tuesday. It would be the first time the United States had no deficit since 1969.

Even though private economists have been predicting a surplus for the 1998 fiscal year for months, it was the first official projection by the by the office, the budget analyst of Congress. The 1998 fiscal year ends Sept. 30.

The office also predicted surpluses of \$9 billion for 1999, \$1 billion for 2000, \$13 billion for 2001, \$67 billion for 2002 and \$53 billion for 2003. The numbers were provided by an aide who spoke on condition of anonymity.

The projections come as lawmakers are pressing to use surpluses to pay for tax cuts or new spending this year.

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ASIA/PACIFIC

Defying Foes In Parliament, Kim Appoints Prime Minister

By Don Kirk
International Herald Tribune

SEOUL — President Kim Dae Jung defied the political opposition Tuesday, naming a conservative coalition partner acting prime minister.

The appointment, announced the day after the national assembly dissolved in a fist-swinging melee and failed to confirm Kim Jong Pil as prime minister, set the stage for a protracted struggle between the executive and legislative branches of a government mired in economic difficulties.

Mr. Kim appealed to the opposition Grand National Party to support Kim Jong Pil "for one year in the interests of the nation and the people." But Cho Soon, leader of the opposition party, attacked the appointment as "invalid and illegal, null and void" and vowed to combat it politically and legally.

Kim Dae Jung, elected president with 40 percent of the votes in December after allying with Kim Jong Pil, 72, a former prime minister and founder of the Korean Central Intelligence Agency, formed a "coalition" cabinet that includes a dozen members of his own and Kim Jong Pil's parties.

The most controversial choice may be that of Lee Kyu Sung, 59, a professor who served as finance minister under Roh Tae Woo, a former general who was jailed for corruption, and now assumes the same post. Mr. Lee was appointed after Kim Jong Pil's top economic adviser, Kim Yong Hwan, a key figure behind Kim Jong Pil in the national assembly, turned down the job and recommended him instead.

Mr. Lee promised "to be timely in coming up with policies needed to push restructuring" of the economy as demanded by the International Monetary Fund in return for piecing together a \$60 billion package for rescuing Korea from the brink of bankruptcy in December.

But Mr. Lee, as Mr. Roh's finance minister from December 1988 to March 1990, is remembered for having forced the Bank of Korea to loan the equivalent in Korean currency of more than \$3 billion to Korean trust companies, which they in turn loaned to major listed companies then confronted with the possibility of bankruptcy. The rationale was that the companies had to have the money to bolster the Korean stock exchange and keep the economy from deteriorating.

Mr. Lee hinted that he might not move



President Kim Dae Jung, center, toasting his newly appointed cabinet members at a dinner in Seoul on Tuesday. At left is Finance Minister Lee Kyu Sung; at right is National Unification Minister Kang In Duk.

as swiftly against the nation's conglomerates, known as *chaebol*, as Kim Dae Jung has promised in recent weeks. He remarked that the government would "make every effort to minimize the costs needed to reform the *chaebol*."

Critics point out that Mr. Lee's approach directly counters the free-market

principles advanced by the IMF and epitomized the habit of Korean companies of borrowing increasingly huge loans that they are now unable to repay without emergency aid.

"Lee's personality is quite contrary to Kim Dae Jung's reform program," said Suh Jin Young, a professor at Korea University.

INDONESIA: 'No Quick Fixes,' Mondale Tells Suharto in Urging Painful IMF Reforms

Continued from Page 1

convincing signs that the rupiah will recover in the short term," the spokesman said.

"The president stated that he will implement the program led by the IMF," he added. "However, the 'plus' in 'IMF-plus' is to find ways to stabilize the rupiah at a fair level."

A term first used by the president in a speech Sunday, "IMF-plus" is among other things an assertion that Jakarta will not slavishly follow the dictates of outside agencies.

The issue of national sovereignty has risen to the surface as international pressure grows on Indonesia to make austerity measures that are already causing inflation, food shortages and unemployment.

In his speech Sunday, Mr. Suharto said he was continuing to consider a quick-fix plan to raise the value of the rupiah artificially by creating an independent monetary board.

Mr. Mondale said he had discussed that plan with Mr. Suharto, although he noted that he had not "come here as an economic specialist or a negotiator on behalf of the IMF."

But he said: "The way to deal with the severe currency problems faced by Indonesia is to deal with the underlying

problems. There are no quick fixes that provide an alternative. If the IMF program is implemented, this will help in restoring confidence."

While backing away from plans for an immediate peg for the rupiah, Mr. Suharto has kept the option open. Whether or not he proceeds with it, some analysts say, it is proving a useful bargaining chip and a symbol of his autonomy.

"I think he is trying to show that he does not want to be dependent on the IMF," which has offered a \$40 billion

lifecycle in economic assistance, an Indonesian economist said. "He doesn't want Indonesia being told what to do."

Mr. Mondale is the second high-level envoy from Mr. Clinton; in January, Deputy Treasury Secretary Lawrence Summers paid a visit. Shortly afterward, Mr. Suharto signed a tough accord demanded by the IMF that would overhaul an economic culture weakened by corruption and cartels.

In Washington, Mr. Summers said Tuesday that the United States would not support payment of new funds from the IMF rescue package unless Jakarta made progress on reforms. Reuters reported. He said the IMF would be seeking evidence that Indonesia was meeting promises on budget, structural, monetary and banking sector reforms, and Washington would require "appropriate policies" before supporting a recommendation for further payments.

"To achieve a stable currency," he added, Jakarta must "attack some of the problems of crony capitalism."

KOREA: Battered Asian Firms Scale Back Operations in U.S.

Continued from Page 1

should follow suit," Mr. Kim said the situation was so dire that he expected the chamber to forgo the collection of dues from its 700 members this year.

The conundrum is that with their own economies ailing, Asian companies need their overseas sales more than ever. At the same time, the sharp weakening of their currencies has made their products more competitive overseas, although most companies have been unable or chose not to make dramatic cuts in their U.S. prices.

But the devaluation of currencies also makes it more expensive for Asian companies to pay the expenses of their operations in the United States. Their American subsidiaries are having trouble raising cash because American banks are reluctant to lend to them and neither the parent companies nor Asian banks have the money.

South Korea's Finance Ministry, worried that money-losing overseas business operations will drain it of scarce foreign reserves, is asking to see financial statements of overseas subsidiaries and pressing for closing those that are not consistently profitable, executives said.

"They really need these offices running on full cylinder right now, and it's very painful to do so," said Stewart Kim, managing partner of Pacific Gemini Partners, a Los Angeles investment-

management firm that is half-owned by Ssangyong Investment & Securities Co. of South Korea.

The American operations, for instance, have been a lifeline for Kia Motors Corp., a South Korean automaker that filed for bankruptcy last year. The American subsidiary was asked to accept shipments of extra cars, said Greg Warner, executive vice president of Kia Motors America. U.S. sales were up 65 percent last year and in January were nearly triple the level of a year earlier, because of the devaluation of the won and because new dealers have opened. But dealers are having difficulty getting financing, Mr. Warner said.

Hyundai Motor America has not lowered car prices because it does not want to cheapen the image of its cars. But it is offering hefty rebates on some models. The company has had two rounds of layoffs since December, one of them at its financing subsidiary, which has had trouble raising funds and ended its leasing program.

The cutbacks and other changes are not limited to South Korean companies. Indonesian, Thai and other Southeast Asian companies are affected but have a smaller presence in the United States. Hong Kong and Taiwan companies, many of which are big investors in the United States, have not been hit as hard by the Asian crisis.

The highest impact, however, could

come from Japanese companies, whose ownership of U.S. businesses, factories and real estate dwarfs that of all other Asian nations combined.

Japan's financial problems are not as sudden or as acute as those of South Korea, Thailand and Indonesia, so the reaction of Japanese companies has been more gradual. Japanese investors, who purchased trophy hotels, office buildings and golf courses in the late 1980s, have been selling \$3 billion to \$5 billion of U.S. real estate annually in the last few years, according to Jack Rodman, head of Pacific Rim activities for E&Y Kenneth Leventhal Real Estate Group, which tracks Japanese property investment in the United States.

Still, some analysts think the sell-off of Japanese-owned businesses and real estate will accelerate because Japan's government is getting more serious about cleaning bad debts from the banking system and because U.S. real estate prices have been rising.

Sumitomo Bank Ltd. announced it was looking to sell Sumitomo Bank of California. The Inter-Continental Hotel chain, which includes U.S. properties like San Francisco's Mark Hopkins Hotel, is being sold by Saison Group to Bass PLC of Britain. Taisei Corp., a construction company, is said to be selling the Sheraton Grande Torrey Pines in San Diego and a big office building in Chicago.

According to Commerce Department figures for 1995, the latest available, there were 109 nonbank affiliates of South Korean companies operating in the United States, with sales of \$23.8 billion and 22,900 employees.

Samsung Group, one of South Korea's largest companies, closed its American headquarters in Ridgefield, New Jersey, and dispersed its 30 employees to other subsidiaries. Asiana Airlines Inc., South Korea's second-largest carrier, stopped flying to Honolulu in January and closed its office there. SK Group, the fifth-largest conglomerate, will lay off a quarter of its 200 employees in the New York area.

The sale of Symbios has heightened speculation that South Korean companies might sell interests in such well-known companies as AST Research Inc., Zenith Electronics Corp. and Maxtor Corp. Besides the need to raise cash, other factors could be motivating Asian owners to sell American real estate. Prices in Asia have dropped so far that American prices have risen so high that it might be time to take profits.

But Richard Alter, the managing director of Financial Capital Investment Co. in Los Angeles, which pools money from investors in Hong Kong, Taiwan and other countries to purchase U.S. properties, said his clients were continuing to invest in the United States because it offers stability. "What all this crisis does is make more instability" in Asia, he said, "which is why our investors are coming here."

New York Times Service

Demanding Jakarta Act, Java Students Maintain Hunger Strike

Reuters

JAKARTA — Indonesian students at universities on Java have been carrying out hunger strikes for as long as eight days to demand government action on the financial crisis, student representatives said Tuesday.

Eight university students of Gajah Mada University in Yogyakarta in central Java have been on a hunger strike for eight days to force the Indonesian government to take note of their demands, which include cutting food prices, a representative of the Students' Executive Association of the university said.

The government has banned any

street demonstrations one week before and after the People's Consultative Assembly meeting, which began Sunday and runs through March 11, to elect President Suharto to a seventh five-year term.

Students have held demonstrations at universities in Jakarta, Bandung, Yogyakarta and Surabaya in the past week, but have been reluctant to leave their campuses when confronted by riot police and troops at the university gates.

The students want to force the government to consider their demands, a student association representative said. Their first demand, she said, was for

the Indonesian government to reduce the price of essential goods, such as rice and cooking oil.

The students called for political reform on all levels of the Indonesian government, and an investigation into assets of government officials, as well as a two-term limit on the presidency.

They also asked the government to respect human rights and rejected the consultative assembly meeting to elect the president, the student representative said.

Students at Yogyakarta universities planned further demonstrations Wednesday, she added.

BOOKS

THE DREAM PALACE OF THE ARABS

A Generation's Odyssey
By Fouad Ajami. 344 pages.
\$26. Pantheon.

Reviewed by Richard Bernstein

FOUAD AJAMI, who teaches Middle Eastern Studies at Johns Hopkins University, has for years distinguished himself for his scholarship and commentary on the Arab world.

His new book, "The Dream Palace of the Arabs," focuses on the Arab writers and intellectuals of the last two generations — Ajami's own and the one preceding his — who strove to forge an Arab awakening through poetry and fiction. The writers themselves vary enormously, but all of them in one way or another have, like the statesmen, politicians and tyrants they observed, mirrored the Arab experience itself.

Ajami, borrowing from T.E. Lawrence, uses the phrase "dream palace" as a metaphor for that experience. He identifies it as the "intellectual edifice of secular nationalism and modernity" by which the literary figures he studies in this volume sought to bring about a new, modern consciousness.

But as a phrase, the notion of "dream palace" suggests other things as well. There is the dream palace of pan-Arabic unity, the dream palace of the reconquest of Israel, the dream palace of Islamic fundamentalism, all of which have occupied the minds of writers and politicians, poets and tyrants alike.

Ajami is deeply schooled in his subject. His writing is smooth, evocative, richly cadenced. Ajami, it must be

said, also has a tendency to ramble, to use certain phrases — a "new dispensation" is one — that come across as abstract, slightly mannered, devoid of specific meaning.

In reading his new book, one has the feeling that he holds back some of his own views, hesitating to provide a thorough analysis or judgment on the figures at the center of his narrative. The cognoscence of the Arab diaspora and experts in the field of Arabic culture will understand the semiotics here. For other readers, however, it may seem that Ajami's mellifluous, elegiac prose suggests but does not pin down in concrete terms his own moral or political choices.

Still, Ajami has written an important and illuminating book, one that furnishes a universe of information about the inner world of Arab self-reflection and about the men and women who grappled with the weight of a conservative tradition, trying to shed its various veils. Or as one of Ajami's writers, a Muslim woman from Beirut named Nazira Zayn al Din, put it in 1928, "a veil of delusion, a veil of ignorance, a veil of hypocrisy and a veil of resignation."

One derives from Ajami's work a deeper appreciation for the vision of recent history sustained by these intellectuals as well as for their tragedy. "Arab men and women of this century escaped into the world," Ajami writes, "and the world failed them."

The overriding theme here is disillusionment. Ajami devotes an 84-page chapter to Khalil Hawi, the influential Lebanese poet who committed suicide in Beirut on the very day of the Israeli invasion of Lebanon, June 6, 1982. Hawi, a man with whom Ajami

clearly and strongly identifies, embodied the failed effort of the Arabic man of letters to create the ground for an Arab revival. He was an extremely interesting figure, and if Ajami did nothing more than reconstruct his life, "The Dream Palace of the Arabs" would make a valuable contribution. Hawi, a Greek Orthodox man from a poor mountain village in Lebanon was "a great, restless talent" who grappled with the various currents of thought that swept through the Arab world during his lifetime. He worked as a stonemason before gaining celebrity for his poems, the most famous of which, "The Bridge," published in 1957, is a spare, melancholy, haunting work. But the years left him alienated from the political factions that pushed Lebanon to civil war and invasion.

He could not see his country as a laboratory for the wars of others or sanction a war on its land as a battle for some hazy Arab future," Ajami writes. "His wrath took in all the armed camps. 'Tragedy,' he said, 'has befallen us; it is everywhere among us, in our

cities and our streets, in every nook and cranny."

Ajami explores numerous themes in this book and introduces his readers to a large cast of Middle Eastern figures, from Malcolm Kerr, the president of the American University of Beirut, assassinated in 1984, to Ali Ahmad Said, the exiled Syrian poet and essayist who wrote under the pen name Adonis. Like Hawi, Adonis, who wrote of "tyranny, silence and exile," passed from the guarded optimism of the 1950s, when Gamel Abdel Nasser of Egypt seemed to provide new hope for vigorous nationalist leadership, to bitter disillusionment as Arab society plunged into "a new world of cruelty, waste, and confusion."

Along the way, Ajami provides close, intelligent readings of political events, including what he calls the Palestinian-Shia war in Lebanon, the Israeli invasion of that country, the Nasserite revolution in Egypt, the rise of Islamic fundamentalism and the Gulf War.

New York Times Service

BEST SELLERS

The New York Times		Last Week			
This list is based on surveys from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily by weeks on list.					
FICTION					
Title	Weeks on List	Last Week	Wks. on List		
1 THE STREET LAWYER, by John Grisham	1	2			
2 PARADISE, by Ted Menon	2	6			
3 OLD MOUNTAIN, by Charles Foster	3	34			
4 BLACK AND BLUE, by Lillian Jackson Braun	5	3			
5 THE CAT WHO SANG FOR THE BIRDS, by Lillian Jackson Braun	6	2			
6 FEAR NOTHING, by Dean Koontz	7	4			
7 BIRTHDAY LETTERS, by Ted Hughes	12	2			
8 MEMORIES OF A GEISHA, by Arthur Golden	7	15			
9 A CERTAIN JUSTICE, by P.D. James	8	12			
10 THE WINNER, by David Baldacci	9	11			
11 NUMBERED ACCOUNT, by Christopher Reich	1	1			
12 THE INVESTIGATORS, by W.E.B. Griffin	10	5			
13 THE GOD OF SMALL THINGS, by Arundhati Roy	14	29			
14 NIGHT TRAIN, by Jane Yolen	1	8			
15 CUBA LIBRE, by Elmore Leonard	11	4			
NONFICTION					
1 TALKING TO HEAVEN, by James Van Praeger	1	8			
2 ANGELA'S ASHES, by Frank McCourt	3	76			
3 TUESDAYS WITH MORRIE, by Mitch Cullin	4	19			
4 THE MILLIONAIRE NEXT DOOR, by Thomas H. D'Amico	2	58			
5 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Burt Foster	5	189			
6 THE PERFECT STORM, by Sebastian Junger	7	38			
7 7 INTO THIN AIR, by Jon Krakauer	6	43			
8 JAMES CAMERON'S TITANIC, by Ed W. Marshall	13	4			
9 THE MAN WHO LISTENS TO HORSES, by Mosley Roberts	9	38			
10 CONVERSATIONS WITH GOD: Book I, by Neale Donald Walsch	8	63			
11 CITIZEN SOLDIER, by Stephen Ambrose	10	15			
12 THE LONG ROAD OUT OF HELL, by Marilyn Manson with Neil Strauss	1				
13 DEATH OF A PRINCESS, by Thomas Sanzoni and Scott Wiersma	1				
14 JACKIE AFTER JACK, by Christopher Anderson	1				
15 TYRANNIC: Legacy of the World's Greatest Ocean Liner, by Susan Welch	15	4			
ADVICE, HOW-TO AND MISCELLANEOUS					
1 SIMPLE ABUNDANCE, by Sarah Ban Breathnach	1	99			
2 MEN ARE FROM VENUS, by John Gray	3	226			
3 DON'T WORRY, MAKE MONEY, by Richard Carlson	2	10			
4 JOY OF COOKING, by Irma S. Rombauer					

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ASIA/PACIFIC

Parliament Majority Eludes Hindu Nationalists

Closest Indian Election Yet Now Moves Into Maneuvering to Form a Ruling Coalition

By John F. Burns
New York Times Service

NEW DELHI — With election results nearly complete, India found itself Tuesday facing a tense contest for power between Hindu nationalists and a putative alignment between the Congress (I) Party and the United Front, two groups that trailed the nationalists in the distribution of parliamentary seats.

The election brought the Hindu nationalist Bharatiya Janata Party closer to an outright election victory than at any time since the first election in 1952, but left the nationalists and their election allies about 20 seats short of the 273 seats needed for a majority in the 545-seat lower house of Parliament.

If they combined their seats in a coalition, the Congress Party and the United Front would be about 10 seats short of a majority and the automatic right to form a government.

The result appeared to be the closest in any of India's 12 elections since independence in 1947, and set the stage for what promised to be an intriguing period of political and constitutional maneuvering.

As political leaders absorbed the results Tuesday, the atmosphere in New Delhi, where the crucial decisions are likely to be made in the next 48 to 72

hours, was calm, and by the turbulent standards of Indian politics, strikingly courteous.

But Indian political commentators predicted that tensions would mount rapidly as the political endgame approached, particularly if the Hindu nationalists are once again denied power.

Much of the hope for a harmonious outcome rested on President K.R. Narayanan, India's titular head of state, who has the responsibility of weighing the competing demands for power and entrusting the authority to form a new government to whichever group he deems most likely to win a parliamentary vote of confidence.

By Tuesday night, after 36 hours of counting at more than 800 centers across India, the tallying of 350 million ballots was close to being completed. Working from official returns announced by the Election Commission, Indian newspapers and television networks projected that the Bharatiya Janata Party and its allies would win 251 seats, against 166 seats for the Congress Party and its allies and 98 seats for the United Front, which is itself a coalition of 13 regional and leftist parties.

About 28 seats remained uncommitted, either because they were won by splinter parties or independent candidates, because counting has been postponed pending a new vote in some districts where violence disrupted balloting or, in three parliamentary districts in Kashmir, because elections have been scheduled later this month.

Two other seats, for the total of 545, are reserved by India's constitution for representatives of Indians of mixed Indian and British descent, and they will be filled only after a new government takes office.

But for the purpose of forming a government, the key bloc will be the 21 seats won by splinter parties and independents. Much of the political calculus that unfolded Tuesday focused on this group, since a swing one way or the other among the parties would tip the power struggle. In addition, there was speculation that some smaller parties that aligned themselves during the election with the Bharatiya Janata Party and the Congress Party might switch sides, again tipping the balance.

Aziz Bihari Vajpayee, the Bharatiya Janata Party's candidate for prime minister, set the mood by responding to reporters' questions about the party's chances of taking power with what appeared to be a resigned chuckle. Mr. Vajpayee, who is 71, was said by aides to be reluctant to repeat his humiliating experience after the last election in 1996, when he formed a minority government

on the basis of a much smaller Hindu nationalist parliamentary bloc, only to have to resign after 13 days when more than 20 parties in Parliament united against the nationalists.

Among top leaders of the Congress Party, often accused by its opponents of arrogance after ruling the country for 44 of the 50 years since independence, the mood was similarly muted.

After a day of closed consultations, some Congress leaders even suggested that the party might do India and itself a favor if it stepped aside, clearing the way for a Hindu nationalist government and its own return to the opposition benches, where it sat for much of the last two years, when the government was formed by the United Front.

"I think we shouldn't get really worked up about sitting in opposition," said Madhavrao Scindia, a former maharajah and cabinet minister, who is one of a handful of Congress Party leaders considered to be possible prime ministers in a Congress-United Front government.

Mr. Scindia added: "We have to get over this constant mental block of 'We must be in government,' and if we are to be in government, it has to be for some better reason than just keeping these other people out. I think that's a very negative way of thinking about it."



Sharad Pawar, a leader of the Congress (I) Party, being garlanded by supporters in Bombay after an election victory in Maharashtra state.

BRIEFLY

China Detains Another Dissident

BEIJING — The police arrested a dissident Tuesday who had petitioned the Chinese legislature for political reforms and a crackdown on corruption, a human rights group said.

The arrest of Shen Liangqing brings to three the number of dissidents formally charged in a roundup of activists petitioning the National People's Congress, which opens its 1998 session Thursday. The congress is seen as a body trying to promote the rule of law and often draws dissident petitions, despite police harassment and arrest.

Police in the eastern city of Hefei notified Mr. Shen's family that he had been arrested, the Hong Kong-based Information Center of Human Rights and Democratic Movement in China said. The authorities did not say what charges he faced or where he was being held. (AP)

Reticence Wins Cambodia Poll

PHNOM PENH — Less than six months before a crucial general election, most Cambodians are reluctant to say who they want as their leader, according to an opinion poll released Tuesday.

Nearly 60 percent of people questioned declined to answer when asked which leader they backed, apparently afraid to reveal their political allegiance, said the private French Institute for Statistics, Opinion Polls and Research on Cambodia. "This question apparently provokes the highest level of fear as reflected by the fact that a vast majority of the people interviewed do not want to express any opinion," the institute said.

Of those questioned, 16.6 percent said they supported Second Prime Minister Hun Sen, compared with 13.4 percent for the former first prime minister, Prince Norodom Ranariddh. Former Finance Minister Sam Rainsy, a critic of Mr. Hun Sen's government, had the backing of 7.8 percent; 59.1 percent declined to answer.

The widespread reluctance to state a preference might be good news for the opposition, since government supporters were unlikely to be afraid to state their preference, the research group said.

"Those people who express fear in the survey are more likely to vote for opposition parties than for the main ruling party represented by Mr. Hun Sen, because those who prefer Hun Sen have little reason to be afraid in expressing their choice," it said. (Reuters)

Vietnam Executes 7 for Drugs

HANOI — Vietnam carried out its second major execution of the year Tuesday before hundreds of people, in a demonstration of the state's resolve to punish abuses of power and drug-trafficking.

Vu Xuan Truong, a former police captain with the Interior Ministry, and six accomplices, including a woman, were put to death by gunfire shortly before daybreak at an execution site on the outskirts of Hanoi. In a rare concession, the authorities had bowed to a request by Mr. Truong that the executions be carried out before first light.

Prison sources and other witnesses said the seven were woken in their cells at 2:30 A.M. As they were taken to be formally notified that they were to be executed, Mr. Truong shouted to his wife, held in a neighboring prison compound: "My love, I am going there." They were offered noodle soup, coffee and cigarettes. All but one person was said to have refused. (Reuters)

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Back Operations in U.S.

come from Japanese companies and real estate deals. The Asian nations combined Japan's financial problems, sudden or as acute as those in Korea, Thailand and Indonesia, more gradual. Japanese investors purchased trophy hotels, offices and golf courses in the late 1990s, according to Jack Rodman, Leventhal Real Estate Group, tracks Japanese property interests in the United States.

Still, some analysts think the of Japanese-owned businesses estate will accelerate because government is getting more about cleaning bad debts from the system and because U.S. prices have been rising.

Sumitomo Bank Ltd. announced looking to sell Sumitomo Bank of America. The Inter-Continental Bank, which includes U.S. properties, sold by Saison Group to Bank of America. Taisei Corp., a Japanese company, is said to be selling the Grande Torrey Pines in San Diego big office building in Chicago.

According to Commerce figures for 1995, the latest available, there were 109 nonbank Asian South Korean companies operating in the United States, with sales of \$1 billion and 22,900 employees.

Samsung Group, one of South Korea's largest companies, closed its headquarters in Ridgefield, N.J., and dispersed its 30 employee subsidiaries. Asiana Airlines Inc., Korea's second-largest carrier, is flying to Honolulu in January at its office there. SK Group, the conglomerate, will lay off a quarter of its employees in the New York.

The sale of Symbios has been speculation that South Korean might sell interests in such companies as AST Research Inc., Electronics Corp. and Maxtor Co. Besides the need to raise cash, factors could be motivating them to sell American real estate. Asia have dropped so far and prices have risen so high that it is time to take profits.

But Richard Alter, the managing director of Financial Capital Inc. Co. in Los Angeles, which pools from investors in Hong Kong, and other countries to purchase properties, said his clients were looking to invest in the United States because it offers stability. "What most does is make more income Asia, he said, "which is why investors are coming here."

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- 5. INTO THIS AIR
- 6. THE JAMES TITMUS
- 7. THE MAN WHO LISTENED
- 8. COVERSATIONS WITH GOD
- 9. THE LONG ROAD OUT OF HELL
- 10. THE DEATH OF A PRINCE
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EUROPE

Social Democrats Talk Up the Euro

They Soften Schroeder's Position

By John Schmid
International Herald Tribune

FRANKFURT — A day after Germany's Social Democrats nominated a candidate for chancellor who once recommended that Europe consider a delay of its planned single currency, the party took pains Tuesday to portray itself as a supporter of the euro.

In a reassurance to Bonn's European partners, the Social Democratic Party's parliamentary leader, Rudolf Scharping, issued a response to the appeal Monday by its candidate, Gerhard Schröder, for a fresh debate on the risks of currency union.

Immediately after his nomination, Mr. Schröder promised to convene a "roundtable of the best brains in the land to analyze the risks of the euro in an impartial manner." To lead the panel, Mr. Schröder said he would recruit Karl Otto Pöhl, a former president of the German central bank and a Social Democrat.

In an interview on German radio, Mr. Scharping touted his party's pro-European credentials. "The goal of our party is to protect the consumers and ensure the stability of the currency," he said. "This has nothing to do with Euro-skepticism."

Known more for his pragmatism and populism than for his convictions, Mr. Schröder recognizes that monetary union has gained too much momentum to be delayed without unleashing chaos in Europe's economic and political affairs, political observers said.

"He will not do anything to undermine the position of his party, it is not worth it," said Dieter Roth, senior researcher at the Forschungs Gruppe Wahlen, an independent political research firm. "The whole discussion will be over in May and the election is not until September," said Mr. Roth, referring to the selec-

tion of the euro's launching nations by European Union leaders in early May.

Although Mr. Schröder spent much of last year honing an image as a Euro-skeptic, he has distanced himself since then from Germany's hard-line opponents of the single currency. He kept the issue on the back burner during the campaign before his re-election Sunday as state premier of Lower Saxony, where his emphasis on Germany's record unemployment and his strident attacks on Chancellor Helmut Kohl won him a strong majority.

Attempts by the Social Democrats to exploit voter fears over the loss of the trusted Deutsche mark failed to win votes in several state elections in the last two years, most recently in Hamburg last September — a misstep that Mr. Schröder was careful not to repeat in his state.

Despite his latest calls for a review of any risks, Bonn's European partners probably have little to worry about if the chancellorship switches hands in the Sept. 27 election, said Holger Schmieding, senior economist at Merrill Lynch in Frankfurt.

"The issue might have had some value before the Hamburg election in attracting right-wing votes, but it will not be interesting after May," Mr. Roth said.

Mr. Kohl's Christian Democrats have accused Mr. Schröder of populism over his calls for a delay in the inauguration of the euro in January if the EU fails to apply the euro's budget deficit benchmarks strictly. But adopting an anti-euro stance has become more difficult in Germany since all 11 candidate nations announced last week that they had succeeded in meeting the deficit benchmarks, Mr. Schmieding said.

"In any event, the political decision on the euro was made long ago," Mr. Scharping told German radio.



Prime Minister Vladimir Meciar of Slovakia, center, arriving for a cabinet meeting in Bratislava on Tuesday, the day he took over some presidential powers from Michal Kovac, who stepped down after a five-year term.

Slovakia Cancels Key Referendum

Reuters

BRATISLAVA, Slovakia — The government said Tuesday that it had canceled a referendum on NATO membership and on selecting a president, recalled 38 ambassadors and granted amnesty to some prisoners.

A spokesman for Prime Minister Vladimir Meciar said the government was taking over some of the powers of the head of state after President Michal Kovac stepped down at the end of his five-year term Monday, leaving no successor.

Deputy Prime Minister Sergei Kozlik was quoted by the opposition daily SME on Tuesday as saying the referendum called by Mr. Kovac for April 19 was illegal.

Mr. Kovac called the plebiscite, which would have asked for the president in future to be elected by direct popular vote rather than picked by Parliament as is the current practice, in a bid to end the political impasse in the country over choosing his successor.

A similar referendum last year was blocked by the government, a move judged unlawful by the constitutional court and criticized by the United States and the European Union.

Parliament is to vote on a successor to Mr. Kovac on Thursday, after a first ballot last month failed to reach agreement.

With no political grouping able to muster the three-fifths support required to pick the president, however, neither of the two candidates has any realistic chance of winning.

The referendum would also have asked if Slovakia should join the North Atlantic Treaty Organization.

Slovakia was not invited to join the first wave of former Soviet Bloc countries to begin talks on joining NATO and the EU because of concerns about the country's democratic processes. The NATO secretary-general, Javier Solana Madariaga, is due to visit Slovakia on Thursday.

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BRIEFLY

Protesters Disrupt German Rail

HANNOVER, Germany — Railroad officials said they suspected that anti-nuclear protesters damaged railroad cables in northern Germany on Tuesday, causing long delays to thousands of commuters.

A high-speed intercity train traveling between the ports of Hamburg and Bremen tore down several hundred meters of overhead cable to which claw-shaped hooks had been attached, a spokesman for the Deutsche Bahn railroad said.

Overhead cables were brought down in two other places in the area, the spokesman added.

The spokesman said a message had been left at the scene that was similar to one found after an attack on railroad lines near Hannover last month, thought to be the work of anti-nuclear protesters.

The police are bracing themselves for protests against the transport by rail of nuclear waste from southern Germany to a storage facility near the northwestern town of Ahaus at the end of the month. (Reuters)

Holocaust Memorial for Vienna

VIENNA — Ending years of debate on whether, when and where a memorial should stand to the 65,000 Viennese victims of the Holocaust, city officials said Tuesday that they expected construction to start soon in the city's center.

"I expect the moratorium on construction to be suspended in the next few days," said Peter Marboe, the Vienna city councilman. He added that he hoped the monument, with its message of "never again," would turn into "a site for rethinking the whole tragedy."

After preliminary work on the proposed site discovered the remnants of an ancient synagogue, members of the Jewish community argued that it would be sacrilegious to build over the temple.

Announcing an end to the dispute, Mayor Michael Hainl said the monument would be moved slightly to the south, so that it would not be placed squarely over the central, holy chambers of the synagogue. (AP)

Ukraine Stands Firm on Missiles

KIEV — Ukraine insists on keeping all its medium-range missiles, President Leonid Kuchma said Tuesday, just days before a scheduled visit by the U.S. secretary of state, Madeleine Albright.

Mr. Kuchma said he would be prepared to get rid of the dilapidated Soviet-era strategic bombers, but in other weapons categories "Ukraine has nothing to reduce."

He said other people's opinions on the matter were "of little importance."

Mrs. Albright, who arrives in Kiev on Friday, planned to hold talks on nuclear nonproliferation and arms reductions, the U.S. Embassy said Tuesday.

Washington is putting pressure on Ukraine to pull out of a Russian contract to build a nuclear power station at Bushehr, on Iran's Gulf coast, whereby Kiev would provide key equipment. (AFP)

Yeltsin Ends Cabinet Reshuffle

MOSCOW — President Boris Yeltsin named a leading advocate of military reform on Tuesday to fill one of Russia's most influential security posts and signaled that he had completed a minor government reshuffle.

The appointment of a civilian, Andrei Kokoshin, 52, as secretary of the advisory Security Council and a decree opening the way for the council to oversee military reforms ended a shake-up in which four cabinet ministers were dismissed.

The presidential press secretary, Sergei Yastrzhembsky, said that more personnel changes could not be ruled out, but that one appeared to be in the works. (Reuters)

is Legalization

every way except profits. Even
vices charge \$25 an hour. The
keeps about \$10, and the rest is
between the driver, the pump, the
service owner — and whom
service pays for protection. On a
good night, which is rare, Larraz
could clear \$80 — more than most
factory workers here make in a
week.

It is not a glamorous life. For
women who work for escorts, the
step up from the streetwalkers
risk theft and brutality every
duck into an alley or club uninvited
— described in chilling de-
tails of disease, gang rape and
murder.

But when asked if she thought
prostitution would provide her
with protection, Irina, 27, who was
Armenian, looked puzzled.

"But we already have our own
protection, our *krivota*," she said.
The Russian word for "roof," it
describes either racketeers or com-
plicit officers who provide pro-
tection — at a price.

Corruption is as potent here as
in Russia. And not even the police
believe that corruption is legal.
"We have to be realistic," says
Aleksandr Lando, chairman of a
general human rights commission. "If
most we can expect is a gradual
measures of control over the police,
AIDS and venereal disease, and to
collect some tax money."

Problem on Mir

Start a Planned Spacewalk

astronauts last summer were told to
spend the rest of Tuesday testing
the latest glitch will be to operate
that Mir is no longer safe to operate.
But Russian authorities want to keep it
in orbit at least until a new inter-
national space station becomes op-
erational next year.

Ground Control officials said the
station was in no danger despite con-
tinuing the spacewalk. Mir, degad-
ing since last year by problems, had ap-
peared to be doing better after a re-
cent series of spacewalks.

The hatch, like other parts of Mir,
suffers from age and corrosion and
long past the original plan. Mir, which
marked its 12th year in orbit last
month, was originally designed to last
just five.

A stock of wrenches, simple metal
tools used to tighten and release nuts
and bolts, would be put on the cargo
ship scheduled to be sent up to Mir on
March 15, Mr. Solovoyov said.

The spacewalk was to have been
the first for the current crew, who
joined Mir in January.

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INTERNATIONAL

Ballooning 'Round the World: The Dream Endures, but Reality Intrudes

By Malcolm W. Browne
New York Times Service

NEW YORK — If at first you don't succeed, try, try again. But what if your goal is simply unattainable?

Take the three-minute mile. Dr. Roger Bannister, the English neurologist who confounded the experts in 1954 by running a mile (1.6 kilometers) in under four minutes, has declared that shaving off another full minute is physiologically impossible. Absolute rules decreed by the limitations of the human body will forever prevent the running of a three-minute mile, Dr. Bannister believes, and all the trying in the world will not change things.

Similarly, engineers have calculated that even if space travelers one day succeed in reaching stars beyond the sun, they can never travel to galaxies outside the Milky Way. Unyielding reality seems to rule out such trips.

On a much more modest scale, it has begun to look as if the odds are also against completing a nonstop balloon trip around the world.

Last week, the latest global balloon season

ended in dismal failure when the crew of Britain's Virgin Global Challenger, the last of five balloons in this year's running, gave up for this year.

One of the balloons in the competition, Switzerland's Breitling Orbiter 2, at least established a new endurance record by staying aloft for 9 days 17 hours 55 minutes — longer even than the 9 days 4 minutes it took for Richard Rutan and Jeana Yeager to fly their unrefueled Voyager airplane nonstop around the world in 1986.

But uncooperative jet-stream winds, technical flaws, piloting errors, shortages of money and the refusal of several nations, including China, to grant overflight permission conspired to defeat all the balloonists who tried this year. The round-the-world ballooning season is limited by wind patterns to December through February.

Balloonists have been trying to circle the world nonstop for more than a century, and their track record is discouraging.

Of at least 22 attempts since 1873, not one came even close. Two balloons vanished, one burst in midair, five balloonists were killed and

several were injured; this year alone, two would-be round-the-worlders were seriously hurt.

There has been no lack of ingenuity and innovation over the years, although the basic buoyancy system adopted by all the competitors in the attempt this year was invented two centuries ago by a young French physicist, Jean-François Pilâtre de Rozier. A Rozier balloon is buoyed both by a light gas (hydrogen or helium) and hot air. Aside from the fact that Mr. Rozier himself was killed flying such a balloon in 1785 — thus winning distinction as the first human to be killed in an air accident — the Rozier system has worked fairly well in its later incarnations.

Ballast, essential to all lighter-than-air flying, has changed from lead shot, sand or water to bismuth shot, empty fuel tanks and even compressed air. The Earthwinds balloons captained by Larry Newman, which tried unsuccessfully in the 1980s and 1990s to circle the world, were equipped with compressed-air ballast "anchors" balloons that gave them a distinctive hourglass shape.

Other innovations include metallized plastic films to reflect sunlight and reduce gas over-

heating, automatic pilots that can maintain a balloon's altitude while the aeronaut sleeps, the global-positioning satellite navigation system and pressurized crew capsules.

The first pressurized balloon gondola was built and flown to an altitude of 51,774 feet (15,780 meters) in 1931 by August Picard, the grandfather of Bertrand Picard, commander of the Breitling balloon. The Breitling capsule was also pressurized.

But the lure of long-distance ballooning has less to do with technology than with adventure. In 1844, Edgar Allan Poe enthralled readers of *The New York Sun* with his gripping account — a complete hoax — of a balloon journey across the Atlantic Ocean. In truth, no balloonist succeeded in crossing the Atlantic until 1978, but hoax or not, Poe's "news" and its later retraction sold newspapers by the ton.

Perhaps the ultimate in low-tech, high-risk ballooning came in 1982, when Larry Walters, a North Hollywood, California, truck driver, tied 45 helium-filled weather balloons to a lawn chair and took off.

After climbing to 16,000 feet he descended safely by popping some of the balloons with a BB gun.

Each failed attempt to circle the world generally plunges a balloonist into gloom, but hope springs eternal.

Steve Fossett, the U.S. commodities broker who holds the world's balloon distance record (10,360 miles), tried again this year and made it only from St. Louis, Missouri, to Krasnodar, Russia. Exhausted and cold, he told interviewers after landing that he no longer believed a balloon with an unpressurized capsule like his could make it around the world.

But by last week he had changed his mind. Fresh from setting a new speed record for cross-country skiing, Mr. Fossett said last week that he had been mistaken, adding, "It is possible to fly around the world in an unpressurized capsule, and chances of success next year will be better than ever."

He may or may not be right. But the greatness of the human spirit is less in succeeding than in raising a fist against the impossible.

Rights in Hong Kong Are Facing Time of Trial

Survival of Rule of Law Under China Is at Issue

By Philip Segal
International Herald Tribune

HONG KONG — The scope of civil rights and the rule of law in Hong Kong is being tested in a series of court cases and government decisions that will draw a clearer, and potentially more ominous picture of life under Chinese rule.

They are expected to address the issues of whether Chinese officials in Hong Kong are subject to its laws, whether Hong Kong's courts would be free to rule on local law even if it upset Beijing, and whether free speech would continue as before.

A Hong Kong government decision last week was seen by opposition politicians as giving Chinese officials a wide berth around the territory's privacy law.

The privacy law, which came into effect in late 1996, allows individuals to know who has personal data on them, imposes time limits on how long the data can be held and allows individuals to request a copy of it from government offices or businesses. The material is supposed to be handed over within 40 days of the request.

Emily Lau, a pro-democracy politician, decided to test the new law almost immediately by requesting her personal files from the Hong Kong office of the Xinhua press agency, which functioned as Beijing's de facto consulate in Hong Kong before the former British colony was returned to China last July.

After 10 months, Miss Lau received a one-line note from Xinhua denying her request.

She complained to Hong Kong's Privacy Commissioner, a local appointee, who agreed she had a right to her files and forwarded his conclusion to the government that her complaint was valid.

The Justice Department responded Friday by saying it would not take action against Xinhua for refusing to release the personal files of Miss Lau and another person, whom it did not identify.

The case is one of several that in the

coming weeks or months could redraw the limits of the authorities' power in Hong Kong. They could also define how far Hong Kong's courts can go in interpreting the Basic Law, the mini-constitution that Beijing drafted for Hong Kong, and the document that is supposed to guarantee the continuation of the free-wheeling way of life overseen by the British before their departure last year.

"The government is afraid to take legal action against Xinhua," said Miss Lau, of the Frontier Party. "I think it's most reprehensible."

A spokesman for the Democratic Party of Hong Kong, the territory's most popular party, said, "This means the rule of law applies to everyone unless you're a government official or Xinhua."

In a letter written Monday, the Director of Public Prosecutions, Grenville Cross, declined to explain the decision and took issue with allegations that Xinhua had received special treatment.

"The law was in no sense 'sidestepped,'" he wrote, adding that to reveal the reasons for not proceeding with a case could lead to guilt by "public censure."

One of the most important untested new rules in the Basic Law is the one which for the first time in Hong Kong outlaws "subversion." China's bandpicking provisional legislature has not yet introduced a bill to enforce the article of the Basic Law.

But late last year, a private citizen filed a writ in court asking that two pro-democracy groups be disbanded on the grounds that they had committed "subversive acts."

The writ demands 10 million Hong Kong dollars (\$1.3 million) in compensation from Szeto Wah, chairman of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, and 3 million dollars each from the Democratic Party leader, Martin Lee, and from a party member, Cheung Man-kwong.

The case is still before court, but a finding in favor of the complainant, which many believe is possible, would radically change the confines of acceptable dissent here. At risk, for example, would be the thousands who take part in Hong Kong's annual demonstration to commemorate the Tiananmen Square massacre in Beijing.

Also up in the air is the extent to which Hong Kong's courts can overturn legislation on the grounds that it contravenes the Basic Law. In January, a judge ruled that the government's new immigration law was unconstitutional, opening the way for several hundred thousand people to immigrate from mainland China.

The government has said it would appeal, but if it loses, Hong Kong will be able to test which kinds of cases go to the territory's Court of Final Appeal, and which are decided by the mainland's more compliant courts. Hong Kong's courts have authority to deal with anything that is not an "Act of State," but that phrase is open to interpretation.

CHINA: Party's Annual Rite

Continued from Page 1

the provincial and county party units. But it has evolved into a more active body, with a year-round professional staff helping to iron out the details of new laws, missions sent to the provinces to check on the implementation of laws and delegates more openly voicing concerns about, say, crime or unemployment, sometimes with protest votes.

"If the image of a rubber stamp hasn't altogether been wiped out, at least it has become a stamp made of better quality rubber," said Zhou Wansheng, a professor of law at Beijing University. Still, the congress has never reversed an important party decision, and no one expects that to happen this year.

Party leaders see the legislature not as supplanting their power, but as ensuring that policies and laws are better carried out. A Western diplomat said. At the same time, he noted, the gathering in Beijing even of hand-picked delegates serves a communications role.

"It's a valve through which discontent with government policy gets vented," the Western diplomat said.

At this session, the departing prime minister, Mr. Li, 69, is expected to be named chairman of the National People's Congress, replacing Qiao Shi, 73, who was a rival of President Jiang's and has been pushed aside.

Mr. Li is unpopular among liberals here, who do not forgive his role in suppressing the 1989 student protest movement in Tiananmen Square. But President Jiang has clearly found him a valuable ally, perhaps useful for placating the remaining "old guard" and the conservatives.

In one curious effect of the expected changes, Mr. Li will remain ranked No. 2 in the Communist Party politburo, with Mr. Zhu as No. 3, even though Mr. Zhu will hold the more powerful government job.

How well the two will be able to work together in their respective five-year terms is one of the open questions of the coming years.

As the meeting approaches, dozens of dissidents or their relatives in China have made public calls for freeing imprisoned democracy advocates, allowing free elections or barring Mr. Li from office. A few have reportedly been detained.

Henry Steele Commager, Acclaimed Historian and Teacher, Dies

New York Times Service

NEW YORK — Henry Steele Commager, one of America's most distinguished historians and teachers, a prolific author, editor and essayist, and an eloquent defender of the Constitution, died Monday at his home in Amherst, Massachusetts. He was 95 years old.

For decades, the name Henry Steele Commager was synonymous with American history. Starting in the 1930s, he published a torrent of histories, biographies, textbooks, anthologies and inquiries into the nature of democracy and the American mind. His essays in newspapers, journals and magazines were an important part of any dialogue on the issues of his day.

He also taught history and American studies for 66 years, 36 of them at Amherst College, 18 at Columbia University and 12 at New York University. He was still teaching into his 80s and said he could not imagine not doing so.

"What every college must do," he said, "is hold up before the young the spectacle of greatness" in history, literature and life.

He accomplished all this while plagued by poor eyesight that deteriorated nearly to blindness, relying on a phenomenal memory and extraordinary energy.

Arthur Schlesinger Jr., the historian,

called him "a great teacher and one of the century's notable historians."

Mr. Schlesinger said Mr. Commager brought to his profession an "analytical keenness, grace and lucidity of expression, and a disciplined passion for the integrity and hope of the democratic experience."

These were among his important books:

• "The Growth of the American Republic" (1930), of which he was co-author, and which became a standard college textbook for more than four decades.

• "The American Mind" (1951), regarded by many historians and critics as his best work, which explored the cultural and philosophical forces that shaped the nation's outlook.

• "The Empire of Reason: How Europe Imagined and America Realized the Enlightenment" (1977), which was described in *The New York Times* as "his most brilliant work." In it he rejected what he termed the "sterile" economic determinism inspired by the historian Charles Beard and held that Americans of the late 18th and early 19th centuries had the courage and audacity to put into practice and law the principles of the Age of Enlightenment only envisioned by great European philosophers.

• "Documents of American History"



Henry Steele Commager, who published a torrent of books.

(1934) and "The Blue and the Gray: The Story of the Civil War as Told by Participants" (1950), two anthologies invaluable to American historians, which were part of the work that prompted Alfred Fried, a historian at the State University of New York at Purchase, to call Mr. Commager "the greatest anthology America ever produced."

In 1966 Mr. Commager warned

against American involvement in Indochina, appealing to Congress on constitutional grounds to reassess its authority over the waging of war and appealing to the public on moral grounds.

His opposition to the war in Vietnam was not confined to his writing. He galvanized an anti-war rally on the Amherst campus in 1970 with the fluency and force of his contentions.

"Having the United States in Vietnam is like having the Chinese invade the shores of Long Island!" thundered this jaunty little man with the thatch of white hair.

Mr. Commager was born in Pittsburgh on Oct. 25, 1902, the son of James and Anna Elizabeth Commager. He was orphaned in childhood and raised by his maternal grandfather, who was of Danish origin and was a founder of American Lutheranism.

He grew up in Toledo, Ohio, and Chicago, where he graduated from high school and enrolled at the University of Chicago, working as a harvest hand in the summers and tending furnaces at night in winters.

He earned his bachelor's degree at Chicago in 1923, his master's the next year and his doctorate in history four years after that. He spent a year at the University of Copenhagen studying

Danish naval history. While he was earning his degrees, he taught at Chicago, in Europe and at New York University.

By the time he was 28, Mr. Commager had been appointed to the NYU faculty and had completed two books, "The Reform Movement in Denmark," for which he received the American Historical Association's award for the best first book by an American historian, and "The Literature of the Pioneer West."

His reputation soared with the publication of "The Growth of the American Republic," which was written with Samuel Eliot Morison of Harvard. (William Leuchtenburg joined the collaboration in 1969 for subsequent editions.) It was principally through this work, a readable and detailed narrative, that thousands of American college students obtained their basic knowledge of their country's history.

Like all of Mr. Commager's work, the book is suffused with his Jeffersonian belief in the American Constitution and his trust in reason: People can learn, he insisted.

Issues can be explored, explained and debated, and the people of the new American democracy, armed with knowledge and freedom to dissent, argue and choose, will make the right decisions for their common welfare.



A Berlin bus driver, wearing a vest that reads, "Warning Strike Today," passing through an idle depot Tuesday.

GERMANY: Municipal Workers' Strike Raises Stakes in Election

Continued from Page 1

"We know that things can't be like in the past, what with globalization and the pressure from Europe," Mr. Klumski said. "But we don't want things to go too far."

Sensing growing pressure on his union — which represents public service, transport and municipal transit workers — Mr. Klumski saw a broader point, too.

"Things that start in the United States get here 10 or 15 years later," he said. "And we saw what happened in Britain under Margaret Thatcher when the unions were smashed. Now they want to achieve that here."

Indeed, there is a broader point. Germany, Europe's ponderous economic powerhouse, is facing the rigors of glob-

al competition just as pressure is increasing to cut public spending in the name of the planned European single currency.

Employers and others maintain that unless the high cost of hiring people is cut, then Germany will not be flexible enough to meet those challenges and thereby reduce its record 4.8 million unemployed, representing 12 percent of the work force.

What that comes down to for people like Mr. Klumski is Deutsche marks and security.

In negotiations between his union and state employers, the government side is pressing for a reduction in sick pay from 100 percent to an initial 80 percent of salary and for the phasing out of a program providing 3.2 million municipal workers like him with a

free, noncontributory state pension. The union, by contrast, wants a package of modest pay increases and job security measures that would increase their wage package by 4.5 percent.

The union is also pressing for the 40-hour workweek of its members in Eastern Germany to be shortened to match the 38.5 hours of the West, reductions in working hours and overtime, and the introduction part-time work for retirees.

What is really at issue, though, is the costly sense of old-embracing social guarantees that postwar Germans have long taken for granted.

Take, for instance, a bus driver with 16 years' service. Mr. Klumski said: gross pay before stoppages, 4,067 DM (\$2,245) a month for 13 paychecks per year; six weeks paid vacation, plus 10 days paid public holidays.

The take-home pay is much less — ranging from \$1,000 per month for an unmarried, childless driver with little experience to about \$1,500 for a married driver with two children.

But the real value of the bus driver's job lies in withholdings that are matched 100 percent by the employer, making the cost of hiring much higher than the nominal gross salary. And that combined amount of withholdings from employer and employee finances the health care, schooling, social security, sick pay, old-age care and unemployment benefits at the core of what modern Germans call the "social market economy."

The sense that history's tide may be running against all that is what makes people like Mr. Klumski uneasy.

"They have been trying to cut our benefits for 20 years," he said. "It was easier in the past to hold on to them. Now the pressure is more difficult to resist."

BRIEFLY

Colombian Army Goes on High Alert

BOGOTA — Colombia's military was put on maximum alert Tuesday in an effort to curb violence leading up to nationwide legislative elections on Sunday.

The armed forces' high command said leave had been suspended for all members of the security forces.

More than 20 million Colombians are eligible to vote for 102 senators and 181 members of the House of Representatives. Marxist rebels, who have called for a boycott of the poll on the grounds that it will perpetuate a corrupt system, control about half the country. (Reuters)

Haiti Seeks Return Of Junta Leaders

PORT-AU-PRINCE, Haiti — Haiti has asked Panama, Honduras and the United States to extradite 10 leaders of a 1991 military coup so they can be tried on murder and torture charges, officials of the Foreign Affairs Ministry said Monday.

The requests were made two weeks ago under warrants issued in December that accused the leader of the former military junta, Lieutenant General Raoul Cedras; the former police chief, Lieutenant Colonel Joseph Michel Francois; General Philippe Biamby, and seven other soldiers of carrying out murder, torture and illegal arrests during their three-year rule.

Human-rights groups contend that about 3,000 people were killed under the military government, which ruled Haiti from the time Jean-Bertrand Aristide was ousted as president in 1991 until he was returned to power by a U.S.-led force in 1994. (Reuters)

Mexican Judge Is Suspended

MEXICO CITY — Mexico City's highest court has suspended for three months a judge who freed the suspected killer of a U.S. businessman, a court spokeswoman said.

The spokeswoman said the Superior Tribunal of Justice decided to punish Judge Maria Claudia Campanzo because of procedural mistakes in the freeing of Alfonso Gonzalez Sanchez. He was recaptured last month. (Reuters)

For the Record

Riot policemen in Lagos fired tear gas Tuesday to disperse dozens of protesters rallying here against the military rule of General Sani Abacha, witnesses said. In Abuja, meanwhile, hundreds of thousands of people rallied to support calls for General Abacha to stay in power despite his promise to restore civilian rule in October. (Reuters)

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Kohl's Challenger

Germany's Social Democrats, out of power 16 years, now have an appealing candidate to run against Chancellor Helmut Kohl in September. Gerhard Schröder, pragmatic, telegenic and more than a decade younger than the 67-year-old Kohl, was chosen Monday, shortly after winning re-election as premier of Lower Saxony. But it will probably take more than personal appeal to lead the Social Democrats out of the wilderness.

Mr. Schröder has yet to shape himself or his party as a convincing exponent of the new, radical leftist approach represented by Prime Minister Tony Blair of Britain or, to a lesser extent, Bill Clinton. Fusing liberal elements like targeted programs for the poor and environmental protection with conservative ideas like deregulation, balanced budgets and welfare-to-work initiatives, radical centrism has proved an electoral tonic for demoralized center-left parties like the Social Democrats. But in Continental Europe, middle-class voters still see the welfare state as a hindrance.

Mr. Schröder waxes enthusiastically about the power of business and markets to create jobs but also staunchly defends middle-class benefits and subsidized employment. In Lower Saxony his popularity has been built on deficit

spending, job subsidies and public ownership. But the policies he has followed in that heavily industrialized state may not be a fair guide to his plans for Germany as a whole.

Mr. Kohl has built an impressive record in 16 years as chancellor, leading the way to German reunification and the single European currency. But unemployment, at 12 percent, has become a dominating issue, which helps explain why Mr. Kohl is behind in the polls.

Germany's voters are also uneasy about giving up their own currency, the mark, which has been an icon of monetary stability. When Mr. Blair took over the Labour leadership in Britain, he had a clear vision of the future, which he used to reshape his party and win over a skeptical electorate. Lionel Jospin's successful Socialist campaign for prime minister of France last year was refined through his unsuccessful run for president two years earlier. Mr. Schröder starts with less time, less clarity and a more formidable opponent. He still has a chance, but he must give new focus to the Social Democrats and convince one of Europe's most cautious electorates that his party can offer Germany modern, responsible government.

—THE NEW YORK TIMES.

Toothless on China

The Clinton administration long ago abandoned human rights as a primary consideration in dealing with China, but it claimed an intention at least to continue speaking out on the issue.

The substance of U.S.-China relations—in other words, trade, military contacts, high-level summit meetings—would go forward no matter what abuses China's leaders committed against their own people, but the United States would, in Secretary of State Madeleine Albright's famous phrase, "tell it like it is." oostethless.

Now, however, it seems the administration may sacrifice even truth-telling so as not to offend China's Communist regime.

The immediate issue is whether to sponsor a resolution at the United Nations Commission on Human Rights when it convenes in Geneva next month. You wouldn't think this would be a tough call. Such a resolution would moderately criticize China's record and call for improvements; it would impose no penalty beyond well-deserved embarrassment.

The democracy advocate Wei Jingsheng nevertheless calls the resolution "a matter of life and death" for reform in China. President Bill Clinton explicitly promised, back when he de-linked trade and human rights in 1994, that the administration "would step up its efforts" to get such a resolution approved. China's regime remains as oppressive today as it was then.

That much is clear, in fact, from the State Department's own human rights report, which—despite a touch of whitewash this year—does mostly tell it like it is, painting a dismal picture of China's "widespread and well-documented human rights abuses."

These include torture, extrajudicial killings, arbitrary arrest and detention, forced abortion and sterilization, crackdowns on independent Catholic and Protestant churches and believers, brutal oppression of ethnic minorities

and religions in Tibet and Xinjiang and, of course, absolute intolerance of free political speech or free press.

Just last month, the FBI arrested two Chinese citizens for allegedly marketing human organs harvested from some of the 6,000 prisoners China executes each year. If prisoners are being killed in order to provide organs, it "would be among the grossest violations of human rights imaginable," Stanley O. Roth, assistant secretary of state for East Asian affairs, said last summer.

Yet from Mr. Clinton, still no word on plans for Geneva. Last year the administration similarly dithered and delayed, eventually hiding behind tiny Denmark, which sponsored a resolution. China responded, with grace matching America's courage, by warning that the human rights resolution would "become a rock that smashes on the Danish government's head."

This year, while the U.S. administration again has been unable to make up its mind, the entire European Union opted out, cravenly vowing not to co-sponsor any resolution. The EU then cited a series of inadequate "benchmarks" to measure Chinese progress in human rights. Among them: The visit of the UN human rights commissioner to China "should be taken seriously by the Chinese leadership."

It may be too late now for the United States to rally a coalition of countries that would guarantee a fair hearing for a resolution on China, but it is not too late for Mr. Clinton to support such a measure nonetheless. He can still send a message that America supports, or at least sympathizes with, the fighters for freedom inside China; alternatively, he can send a message that his friendship with their oppressors is too important to put at risk with any impolite words. For someone who hopes to become this year the first president to visit China since the Tiananmen massacre, this should be an easy choice.

—THE WASHINGTON POST.

Congress and the Clock

Congress has only 60 or 70 serious legislative days remaining before it adjourns and the members go home for the fall campaign. It's not clear how much it will be able to accomplish.

A lot of legislative possibilities already have been foreclosed. There won't be a campaign finance bill. It's unlikely there will be significant environmental legislation. The unresolved budget problem of how to reduce or finance the future cost of the aid to the elderly that goes out in the form of Social Security, Medicare and Medicaid is not expected to be taken up until the next Congress, if then. The president has called for a tobacco bill, a legislated code of conduct for the managed-care industry and increased federal child care subsidies. All three face pockets of opposition and would be complex bills to write in the best of circumstances. Now they also face the clock. The prospects are unclear.

The budget bill that was last year's principal accomplishment itself

amounted to less than met the ear. It is mainly the economy that has driven down the deficit. The tax cuts in the budget bill will have the long-term effect of accentuating the problem that the bill purported to resolve. The main achievement may have been less fiscal than programmatic—a 50 percent increase in federal aid to higher education, mainly in the form of tuition tax cuts for the middle class.

Perhaps half the available remaining time will be taken up by the mandatory measures Congress either has to pass or badly wants to in an election year—the budget resolution, appropriations bills including a supplemental that could set off an enormous struggle and the highway bill. The president also may renew his request for trade negotiation authority, and the Senate will have before it, for its advice and consent, both NATO expansion and, we hope, a considerable number of judicial appointments.

—THE WASHINGTON POST.

Ducking the Hard Questions on NATO's Endgame

By Thomas L. Friedman

WASHINGTON—Last week, the Senate Foreign Relations Committee put on a shameful performance. Senators Jesse Helms, Joe Biden & Co. rolled over like puppies having their bellies rubbed when Clinton officials explained their plans for NATO expansion by dodging all the hard questions.

It's too bad CNN couldn't entice the Clinton team to go out to Ohio State University again and hold a "town meeting" on NATO expansion. If they did, it would sound like this:

Student: "I've got a question for Secretary of Defense Cohen. When you were here before, you had a hard time defining what the endgame would be if we bombed Iraq. What's the endgame of NATO expansion? I mean, if we just admit Poland, Hungary and the Czech Republic, all we will be doing is re-dividing Europe slightly to the east. And if we actually do what you advocate, expand NATO to the Baltic states, up to Russia's border, we will be redividing NATO, since the British, French and Germans are not ready to go that far because they know it would be treated by Russia as a strategic threat."

William Cohen: "Son, we've got our NATO endgame figured out just like we do on Iraq. It's called kick the can down the road and hope it all works out in the end."

Student: "National security adviser Berger, you now say NATO expansion will only cost \$1.5 billion over 10 years, when just last year the Pentagon said it would be \$27 billion over 13 years, and the Congressional Budget Office said it could be \$125 billion over 15 years. How come NATO expansion gets cheaper every day it gets closer to a Senate vote? And how does it get cheaper when France says it won't pay a dime and the Czech Republic doesn't own a single advanced fighter jet, so it will need to buy a whole new air force?"

Sandy Berger: "Our NATO numbers were prepared by the same accountants who said the U.S. budget was balanced. I rest my case."

Student: "Secretary Albright, you say we have to bomb Iraq because Saddam has all these weapons of mass destruction. But the Russians have 7,500 long-range nuclear missiles, loose warheads falling off trucks and a bunch of Dr. Strangelove scientists looking for

work. And we have a nuclear reduction treaty that the Russians have signed but not implemented because of resistance in Parliament to NATO expansion. How could you put a higher priority on bringing Hungary into NATO than on working with Russia on proliferation?"

Madeleine Albright: "Oh, please. You want to blame everything on NATO expansion, like it's El Niño."

Student: "I'm sorry, Madame Secretary, but that's not an answer. You keep dodging this question. You can say that the Russians can't stop NATO expansion. And you can say that it's worth risking a new Cold War to bring these three countries into NATO. But you can't deny that NATO expansion has contributed to Russia's refusal to ratify the START-2 treaty, which is an enormous loss to U.S. national security."

War veteran: "Secretary Cohen, I thought we fought the Cold War to change Russia, not to expand NATO. But now that we've changed Russia and should be consolidating that, you want to expand NATO?"

Mr. Cohen: "NATO expansion is not directed against Russia. It's meant to secure the new democracies in Eastern Europe."

Heckler: "If it's meant to secure democracy in new democracies, isn't the most important new democracy Russia? And why is your P.R. campaign for expansion being funded by U.S. arms sellers, who see NATO expansion as market expansion for their weapons?"

Student: "I just got the spring issue of The National Interest magazine. It contains a letter from George Kennan, the architect of America's Cold War containment of the Soviet Union and one of our nation's greatest statesmen. Kennan says NATO expansion is a historic blunder. What do you all know that he doesn't?"

Mr. Berger: "I have the greatest respect for Mr. Kennan, but our team has its own Russia expert, Strobe Talbott, who speaks Russian, has written books about Russia and some of his best friends are Russians. He couldn't possibly be anti-Russian, and he's for NATO expansion."

Student: "Excuse me, but didn't Talbott write the first memo to Secretary of State Warren Christopher opposing NATO expansion because..."

Bernard Shaw: "Sorry to interrupt. We've got to close."

The New York Times.

Asia's Crisis Won't End Until Japan Confronts Its Own

By James K. Glassman

WASHINGTON—So far, the financial crisis in Asia has not had much effect on us in the United States. In fact, it may have helped us. By putting downward pressure on prices, the crisis has tamed inflation, which is one reason the stock market is up 13 percent in two months.

But it's unlikely that this cheery equilibrium will last. As Alan Greenspan delicately put it: "Asia may damp activity and prices by more than is desirable." The typhoon is headed our way.

What can we do? Coogress is debating whether to give the International Monetary Fund an additional \$18 billion. I am opposed to IMF bailouts because they encourage more risky lending down the road—and thus more crises.

But the IMF controversy is just a sideshow. The real story in Asia is out South Korea, Indonesia and Thailand—the three countries that are getting IMF help. No, the real story is Japan.

Japan is the villain. Japan could be the hero. But, for inexplicable reasons, U.S. policymakers do not want to lean hard

on Japan to change its wretched fiscal and financial policies. It is time to stop being so polite and to get tough.

Japan is guilty in two ways: First, it set the model that the other Asian countries have followed—one in which, as William Gruben of the Dallas Fed says, "Banks, large corporations and governments operate in the same close relationship year after year." This system of command-and-control capitalism, so admired by American journalists and academics in the 1980s, has been a disaster.

It has led to overinvestment and a misallocation of capital—problems that would not have arisen given the normal feedback mechanisms of a free market, run to benefit consumers.

The inevitable collapse of the Japanese financial bubble has produced the second source of Japanese culpability: its current economy. Japan has become mired in stagnation since 1990.

One big reason is that the Japanese authorities refuse to acknowledge the true condition of their banks, which are carrying

at least \$600 billion in bad loans. A few banks are failing, but more must.

The bad debts have to be written off and the surviving banks freed from the shackles of their corporate owners and the government, allowed to lend vigorously and to make decent profits. As it is, the banking system is frozen. Japan's banks are not lending; indeed, they have a hard time raising money.

Can they reform? A long article in the current issue of *Euro-money* casts serious doubt. "The most difficult thing for Japanese banks to change will be the widely held view that the Japanese system is unique and better than that in other countries."

This is a difficult belief to hold in the face of the facts. The Japanese stock market, for instance, has fallen from a high of 39,000 at the end of 1989 to 17,000 today. Real estate prices have collapsed.

Beyond bank reform, the way out for Japan is to stimulate demand: Cut taxes and loosen up the supply of money. Instead, it has done the opposite. Last year the government ac-

tually raised the value-added tax, and since then automobile sales (to cite just one statistic) have fallen 22 percent.

But the big problem is money. "Japan's devastating seven-year deflation could be stopped within months if it revised monetary policy," says David Malpass, chief international economist at Bear Stearns.

Japan, in short, should print money. That would wake up consumers and get the economy moving again. But Japan won't.

Why? Maybe it's a matter of national pride in a "unique" system; maybe no one has asked forcefully enough. While the reasons for Japan's policies may be obscure, the effects are clear: A stagnant Japan is a lousy market for goods from the troubled Asian economies.

"Asia needs to grow its way out of trouble," writes Jeff Usher, editor of *Grant's Asia Observer*, a newsletter that has offered excellent coverage of the crisis.

"If the moribund Japanese economy were to show signs of a pulse, it would create demand for goods produced in the rest of Asia. ... As manufacturing activity rises in Asia, borrowers

will once again be able to service their debts and Japanese banks will, once again, be willing to lend the marginal dollar in Asia."

In fact, it is the Japanese banks that have the most at stake in Asia: \$275 billion in loans, about one-third of that to Korea, Thailand and Indonesia.

"The crisis in Asia will not be over until the crisis in Japan is over," writes Mr. Usher. "It is not the United States, the IMF or the credit rating agencies that hold the key to Asia's recovery. It is Japan."

Yes, but the United States should not be a bystander. Rather than sending \$18 billion more to the IMF, we should push Japan hard to mend its ways.

If we fail, we may, by the second half of the year, feel the typhoon: deflation, slower growth, higher unemployment, lower stock prices—and perhaps we'll see some politicians wandering around dazed by their defeat at the hands of angry voters in November.

The writer is a fellow at the American Enterprise Institute. He contributed this comment to The Washington Post.

U.S. and Britain: Shoulder to Shoulder Into the Breach

By Denis Judd

LONDON—When Kofi Annan spoke to the world press in New York after brokering the deal with Iraq, he paid generous tribute to President Bill Clinton and Prime Minister Tony Blair, implying that without their tough line the UN diplomatic mission to Baghdad would have failed.

Whatever the outcome of the current crisis, one strong image stands out—that of the United States and Britain standing shoulder to shoulder and refusing to blink before Saddam Hussein.

The image of British-American solidarity is a potent one. At one level, of course, it is deeply flawed: It was, after all, the uprising of American colonists in

the late 18th century that led to one of Britain's most traumatic defeats ever. Then there was the War of 1812 and much bickering in its aftermath.

It was the American government's disapproval of Britain's rash Suez invasion of 1956-57 and its refusal to support the pound sterling which did the most to force the humiliating British withdrawal from Egypt, and which exposed her imperial pretensions as a sham.

Despite this, the pluses apparently easily outweigh the minuses, at least in the received wisdom of the last 100 years. The British-American détente—

and thus, in meaningful terms, the "special relationship"—began in earnest exactly a century ago, when the United States fought its brisk and ludicrously successful war with Spain: acquired a formal colonial empire in the Caribbean and the Pacific, and in the process joined the powerful and exclusive club of Western imperial powers.

Rudyard Kipling promptly published his poem urging the United States to join with Britain in its global civilizing mission, to:

Take up the White man's burden—
I Send forth the best ye breed.
He had no need to worry. British policymakers were already determined to bring in the new world to help prop up the old. Recognizing that Britain's global supremacy was faltering and that her industrial and naval lead was under serious threat, British governments made haste to appease the manifest power of the United States and thus to extend the empire's lease—at least in the Western hemisphere and, it was hoped, beyond.

Fortunately, British and American global interests were only marginally in conflict, as compared with those of, say, Britain and France or Britain and Germany. Where there were potential clashes between London and Washington—as in the Venezuela-British Guyana and the Alaska border disputes, or over the Panama Canal Treaty—Britain simply sold out to American interests.

Such realpolitik was reinforced by the late 19th century phenomenon of powerful British statesmen and public figures marrying attractive and often wealthy American women.

Among the Britons to enter into such alliances were Lord Randolph Churchill (father of Winston), Joseph Chamberlain (colonial secretary, 1895-1903), Lord Curzon (viceroy of India, 1898-1905), Lewis Harcourt (a Liberal leader), the Duke of Manchester and Rudyard Kipling.

In 1887, Chamberlain publicly asserted: "I refuse to speak or to think of the USA as a foreign nation. We are all of the same race and blood. ... Our past is theirs—their future is ours." We are branches of one family.

Such sentiments were strengthened by the trans-Atlantic links of commerce, banking and insurance, as well as by a shared linguistic, cultural, political and legal inheritance.

Early in the 20th century, even the Titanic disaster seemed part of a shared British-American experience, a point vividly reinforced by the new film. The U.S. entry into World War I, though belated from the British point of view, was a turning point.

Despite the isolationism of the interwar period and American grumbles over the painfully slow pace of British decolonization, U.S. participation in World War II was even more crucial to the survival of Britain and its empire.

The shared experiences of 1941-45, the imperatives of the Cold War and the rising and seductive tide of American popular culture drew the two great English-speaking nations even more closely together.

This so alarmed Charles de Gaulle—more worried by Anglo-Saxons than by Reds under the bed—that he vetoed Britain's first application to join the European Economic Community. He was eager to keep out what he saw as a Trojan horse pecked with by Greeks but with Americans.

Despite the occasional stumble, British-American cooperation has carried on, its

substance symbolized by cordial and affectionate working relationships between national leaders: Macmillan and Kennedy, Thatcher and Reagan and now Blair and Clinton.

Standing shoulder to shoulder has its drawbacks, however. It can arouse jealousy in onlookers. It also may limit maneuverability. Worst, it allows for comparisons.

In effect, Mr. Clinton and Mr. Blair do not stand equally tall, the scale of the American military commitment to Iraq dwarfs that of Britain—a useful reminder of the United Kingdom's reduced circumstances. Critics describe Mr. Blair as Mr. Clinton's poodle. Nobody can doubt who calls the shots.

And yet there is something strangely comforting, certainly familiar, about the British-American stance—from the rhetoric about democracies confronting bloodstained tyrants to the easygoing camaraderie in arms. There are many more ignoble things that each nation might be doing as the 20th century nears its end.

The writer is a historian whose most recent book is *Empire: The British Imperial Experience From 1765 to the Present*. He contributed this comment to the *International Herald Tribune*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: War Fever Drops

LONDON—The *Daily Mail* says: "As we anticipated, the war scare over the loss of the Maine has died a natural death. The fact is that our cousins so many sea miles removed are a merciful lot and delight in talk of war like the Aborigines who held America before them, but they are also business men and very level-headed, and so they know that war with Spain would mean an enormous loss of trade, and under no circumstances any gain whatever."

1923: Muffled Bells

NEW YORK—For several months there has been considerable discussion among the clergy of the United States as to whether they should allow church bells to be rung at marriages when either party has been previously divorced. The majority appears to favor the

present arrangement allowing wedding bells if the contracting parties desire them, but the Charlestown Ministers' Association has decided that henceforth when divorced persons are married the bells shall be muffled to signify that the marriage of divorced persons is not entirely approved by the association.

1948: 'Western Pact'

PARIS—France, on the eve of the five-power "Western Pact" conference at Brussels, accepted the Inter-American Defense Treaty as the best model of which to build a western European Alliance. When the conference was first talked about, Britain and France favored following the lines of their own Dunkerque alliance against Germany. But Czechoslovak developments, as well as apprehension about Finland, have made it apparent that a purely anti-German treaty now is inadequate.

Herald Tribune
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Directeur de la Publication: Richard McClean
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (1) 41.43.93.00, Fax: Subscriptions, (1) 41.43.92.10, Advertising, (1) 41.43.92.12, News, (1) 41.43.93.38.
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U.S. Advertising Office: 63 Long Acre, London WC2E 9LT, Tel: (171) 340-2254
S.A.S. au capital de 1.200.000 F, RCS Nanterre B 732021126, Commission Paritaire No. 61337
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OPINION/LETTERS

TO's Endgame

Heckler: "If it's meant to be, it will happen. And why is your P.R. campaign expansion being funded by the market expansion for their products?"

Student: "I just got the letter from the National Interest Group, which contains a letter from George H.W. Bush, the architect of America's Cold War containment of the Soviet Union. Kennan says NATO expansion is a historic blunder. What do you think that he doesn't?"

Mr. Berger: "I have the respect for Mr. Kennan, but he has his own Russia expert, Sergei Karaganov, who speaks Russian, has books about Russia and says his best friends are Russians. He is NATO expansion."

Student: "Excuse me, but I don't want the first memo to the State. Warren Christopher says NATO expansion because..."

Bernard Shaw: "Sorry to hear we've got to close."

The New York Times

Infronts Its O

the value-added then automobile just one statistic percent.

problem is money, raising seven could be stopped if it revised money says David Malinowski, international economist.

port, should price would wake up get the economy. But Japan won't, it's a matter of in a "unique" no one has enough. While Japan's policies, the effects are. Japan is a piggy bank from the economy to grow its way, writes left of Grant's Asia, whether that has not covered of ground Japanese to show signs of demand in the rest of Asia, however.

The writer is a former American Enterprise Institute contributor to the Washington Post.

Into the Bread

commerce, bank, as well as by public, cultural, legal inheritance. 20th century. "I don't think a shared Britishness, a point of view, is the only way into the world of the 20th century, was a isolationism of and American over the pain of British de. S. parties, it was even more arrival of Britain experiences of the rising and if American people the two great nations even together. med Charles do are worried by than by Reds, that he vetoed application to join Economic Com is eager to keep as with a Trojan get with Greeks. be occasional American carried on its

AGES: 100, 75 AND 50 YEARS

Fever Drops

The Daily Mail anticipated, the loss of the a natural death. our cousins so removed are a of delight in talk. Aborigines who before them, but sadness men and led, and so they with Spain enormous loss under no circumstances whatever."

Red Bells

For several been consid among the States as to should allow be rung at mar- raged party has divorced. The is to favor the

Please, Thank You and a Bronx Cheer

By Richard Cohen

NEW YORK — It is a fact that New York has more dogs per capita than any other city in the world. It is also a fact that I made that up. Still, New York has a lot of dogs, an estimated 500,000 of them, and yet on any given street you would be hard-pressed to know it. From the available evidence, the available evidence has been scooped up.

I start with what, to me, was this unlikely, totally unpredictable compliance with the 20-year-old "pooper-scooper" law by way of asserting that the mayor of this town, Rudolph Giuliani, is not totally nuts for asking New Yorkers to be nicer to one another — and, in what may be his boldest move to date, not excluding city workers from his edict. He even wants civics — for crying out loud — taught in the city's public schools.

Almost immediately, Mayor Niece's exceedingly modest proposal was met with Bronx cheers, derision and a kind of cynicism typical of this fair city. It was suggested by some that rudeness was central to the New York ethic, that if people started saying "please" and "thank you," Times Square would go dark and the city would lose the vitality and manic energy

for which it is justly famous. What's more, these cynics argued, no one was going to pay any attention at all to Mr. Giuliani. I demur: Not 'n — as they say here — could be foids from da troot.

In da foist place — O.K., O.K., I'll stop — the ringing success of the pooper-scooper act of 1978 shows that government can indeed get people to change their behavior. If you had told me back in '78 that those Madison Avenue women with faces 40 years younger than their husbands' and legs like a stork's would pick up after their toy dogs, I would have guffawed. But time and time again I have seen it happen. The combination of government programs and social pressure can be awfully effective.

Somewhat the same thing has happened all over America when it comes to smoking. People don't do it anymore in closed-in places. Of course, the law forbids it, but that's only part of the story. Standards of behavior have changed. It is simply not considered courteous anymore to bother others with your smoke.

Crime is a third example. New York is the beneficiary

of a clear national downward trend in crime. But in this city the drop has been so precipitous that some credit has to be given to the mayor and the police. They simply changed expectations by announcing, in no uncertain terms, that they weren't going to take it any longer. Now, people actually expect the police department to fight crime, not just come around after the fact to fill out a report.

New York is a different sort of city. I'll grant you that. I discovered its ethic when, as a child, I noticed men in a restaurant sitting under a "No Smoking" sign, puffing away. I asked my Uncle Sy how this could be happening.

"The sign just says 'No Smoking,'" he explained. "It doesn't say 'Positively.'"

I appreciate that. If you came to a corner, cut it. If the street is narrow and there's a slight break in the traffic, jaywalk. Time is money, as everyone here knows.

But the frenetic pace of this city would hardly be slowed by some common courtesy. The uttering of an occasional "please" or "thank you" will not cause the stock market to plunge. Probably.

But in many respects, the rest of the country is becoming more and more like New York. The city's anonymity, both liberating and alienating, permitted reckless, rude behavior. But so now do vast stretches of America. Enraged drivers anywhere know they are not likely to meet the guy they just cut off; the woman who slips into a parking space just ahead of you is probably not someone you'll ever see again.

So when Mr. Giuliani, citing Plato's concept of reaching for the ideal, commands New Yorkers to be nice to one another, the rest of the country ought to cheer him on, instead of scoffing. New York style, at its best. In paraphrase that wonderful song, it can happen here, it can happen anywhere.

Ya got a problem wit dat?

The Washington Post

The Sad Tale of a Popular President

By Thomas Fleming

NEW YORK — Once there was a president named Warren Harding.

The American people loved him. They elected him in 1920 in one of the greatest landslide ever.

Warren looked like a president. He had a strong jaw and wavy hair.

He called for things, such as a "return to normalcy," that people wanted to hear after the exhausting, disillusioning struggle to win World War I.

Warren had a wife named Florence. He was terrified of her. She had pushed him to run for president. When she snapped "Warren!" you could almost hear his teeth chatter.

Warren and Florence encouraged people to visit the White House. They called it "the people's White House." Sometimes Florence came downstairs herself and escorted tourists around. The people loved that, too.

They did not have polls in those days, but everyone agreed that Warren and Florence were among the most popular presidential couples in history.

Warren had a mistress named Nan Britton, a blond 20-something. He used to smuggle her into the White House when Florence was not looking. Secret Service agents were posted to

warn Warren if Florence was coming. Warren also had a long affair with another woman that he forgot to mention to the Republican convention that nominated him. The Republicans gave her enough money to leave the country for four years.

As president, Warren spent a lot of time playing golf and poker with his

friends — and smuggling Nan into the White House.

But no one noticed, because the country was prosperous. And Warren had assembled a pretty good cabinet, which helped to deflect attention from his own nonperformance.

Warren once said he had no interest in that "Europe stuff." He was more interested in giving jobs to the cronies he brought with him from Ohio — notably a shyster named Harry Daugherty, whom he made attorney general.

Then Warren learned that Harry and his other poker-playing pals were siphoning tons of money from the government. He didn't know what to do. Two

of the malefactors committed suicide. Warren embarked on a speaking tour to prove how much the people loved him. He traveled the country to great fanfare, talking about America and prosperity and normalcy.

Warren decided to visit Alaska, perhaps because it was as far away as he could get from the stench that was rising in Washington. En route, he was stricken with a heart attack, and died.

The American people were grief-stricken. Mournful crowds jammed the railroad stations as Warren's body was returned to Washington. One newspaper called him "the greatest commoner since Lincoln." Another said Warren was "an ideal American."

Florence burned every scrap of official paper she could get her hands on while Warren was being mourned and buried. But it didn't do much good. Within a few months, members of Warren's administration were under indictment on corruption charges.

Most historians now rank Warren as among the worst presidents ever.

But there is always room at the bottom.

The writer, a historian, contributed this comment to The New York Times.

On Thursday, April 30, 1998,
to mark the 50th anniversary of the independence of the State of
Israel, the International Herald Tribune
will publish a Special Report on

ISRAEL at 50

BY THE TIME people or nations reach the age of 50, there is usually a sense of certainty about them; they have an image of themselves as mature, established, maybe even comfortable. But Israel is very much still a work in progress; a country of extraordinary achievements and unresolved problems; a tiny country that has nevertheless held the world's center stage for all of its turbulent childhood, adolescence and now adulthood.

To take the measure of Israel as it turns 50, the IHT has assembled a distinguished group of journalists, historians and politicians.

Glenn Frankel, the Pulitzer-Prize winning Washington Post correspondent and author of "Beyond the Promised Land," will provide an overview assessment of how much progress Israel has made in resolving the internal contradictions and external challenges that have confronted, and still confront, the Jewish state.

Tom Segev, the Israeli historian, journalist and author of the widely acclaimed history "The Seventh Million," will scan the record of these past 50 years, examining the creation and evolution of the country's identity, the role of Zionism, the conflicts and quests for peace with the Arabs within and outside Israel's borders.

Zeev Chafets, the novelist and popular columnist for the Jerusalem Report, will provide a glimpse into daily life in Israel today.

Josef Joffe, the columnist and Editorial Page Editor of the *Süddeutsche Zeitung*, and John Goshko, the United Nations correspondent of The Washington Post, will take a look at two of Israel's closest and most interesting relationships; one with Germany and the other with America's Jewish community.

Joseph Fitchett, the IHT's political and security correspondent, will evaluate the regional balance of power in the Middle East and how that might shape Israel's future.

Dr. Sari Nusseibeh, the well-known Arab scholar and author, and president of the Al-Quds University in East Jerusalem, will write about life today and hopes for tomorrow for Palestinians in Israel, the West Bank and the Gaza Strip.

Neal Sandler, an economic correspondent, will examine Israel's evolution from low-tech to high-technology center, looking at the state of its high-tech industries and their overall impact on the economy.

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CLINTON: Jordan Testifies

Continued from Page 1

Mr. McCurry, asked Tuesday whether Mr. Jordan's testimony would help Mr. Clinton, said, "Absolutely."

Because of allegations that Mr. Jordan might have played a role in a cover-up, either wittingly or not, by helping Ms. Lewinsky find a lawyer and line up job interviews, his testimony could be critical to Mr. Starr's inquiry.

One administration official told The Associated Press that Mr. Jordan's testimony could "make or break" President Clinton.

"If anybody can hurt Clinton, it is Jordan," the official said.

Prosecutors, however, were certain to ask about the efforts made by Mr. Jordan, one of the most powerful men in Washington, on behalf of a former intern, and whether there was any connection to an alleged attempt to secure her silence.

Mr. Jordan, 62, has said that he helped Ms. Lewinsky obtain three job offers and found an attorney for her. He has denied, through lawyers close to him, having sought to influence her, possibly through the promise of employment, to deny having had a sexual relationship with Mr. Clinton in an affidavit for the Paula Jones sexual misconduct case against the president.

He has also said that both Mr. Clinton and Ms. Lewinsky had told him that they had not had a sexual relationship.

One explanation that Mr. Jordan might offer for helping Ms. Lewinsky, who left the White House in April 1996 to take a low-ranking job at the Pentagon, was that she was close to a prominent Democratic fund-raiser, Walter Kaye.

While some witnesses, notably Ms. Lewinsky's mother, Marcia Lewis, have emerged from the grand jury room looking shaky or distressed, Mr. Jordan was expected to make a formidable, jury-savvy witness.

As the former president of the National Urban League, a civil-rights group, and of the United Negro College Fund, he is one of the best-known and most widely respected black figures in the United States. He is also one of the most prominent attorneys and lobbyists in Washington, and sits on the boards of such major corporations as Dow Jones and Revlon.

Mr. Jordan, in his only public statement so far in the case, vowed Jan. 22 to say "directly, completely and truthfully" what he knew about the matter. Mr. Hundley said Tuesday that his client had no intention of invoking his constitutional

right to avoid self-incrimination by refusing to testify.

Meanwhile, another Clinton confidant, Bruce Lindsey, the deputy White House counsel, and the president's personal secretary, Betty Currie, were expected to be called back for new appearances before the grand jury as early as Thursday. It was Mrs. Currie who asked Mr. Jordan to help Ms. Lewinsky find a job.

Mr. Starr, seeking to build a mountain of evidence from the bottom up, began his inquiry by summoning low-ranking former interns and White House staff before calling, more recently, such top White House aides as Mr. Lindsey, John Podesta and Sidney Blumenthal.

Mr. Jordan could provide the testimony Mr. Starr needs to tie a case together. On the other hand, if Mr. Jordan denies any knowing attempt to influence Ms. Lewinsky's testimony, prosecutors would face a much more difficult task.

On Sunday, Ms. Lewinsky's attorney, William Ginsburg, made the plainest statement to date that there had been no sexual relationship between his client and Mr. Clinton. He had said previously that she stood by the affidavit in which she denied such a relationship.

Mr. Ginsburg said Monday that his client had been alone with the president in the Oval Office a few times, but added, "Being alone doesn't mean they had a relationship."

White House records show Ms. Lewinsky visited the White House 37 times after leaving in April 1996. It is not clear whether she saw the president on each of those visits.

If Ms. Lewinsky, Mr. Clinton and Mr. Jordan all deny any wrongdoing, Mr. Starr's case would appear to rely on circumstantial testimony.

Mr. Jordan has long been one of Mr. Clinton's closest friends. The two have known each other since the 1970s.

Mr. McCurry, the White House spokesman, denied Monday that there had been any rupture of the relationship over the Lewinsky case. They "remain good friends," he said.

In all, Mr. Jordan met with Ms. Lewinsky four times and spoke to her seven times by phone, reports say.

On Dec. 19, she met with Mr. Jordan at his office and told him she had been subpoenaed to provide an affidavit in the Jones case. Lawyers close to the case told The New York Times that at that meeting he asked her whether she had had a sexual relationship with Mr. Clinton and that she denied it.



Mr. Jordan, center, making his way past reporters at the courthouse.

IRAQ: U.S. Says UN Gave It a Green Light to Attack

Continued from Page 1

against such action in the resolution.

The council's action nevertheless — as some countries characterized it — a partial disavowal of the Clinton administration. Diplomats from other countries said the United States would have preferred language authorizing military force if Iraq reneges on the inspection agreement that the UN secretary-general, Kofi Annan, negotiated in Baghdad with President Saddam Hussein.

When the chief U.S. representative to the United Nations, Bill Richardson, was asked if the resolution allows a U.S. attack, he replied: "The answer is yes. And we already had that green light."

"The resolution is drafted so it is perfectly clear that any member state can take unilateral action if it feels there is a grievous violation," he said.

The French Foreign Ministry's second-ranking official, Bertrand Dutoit, flew to Baghdad on Tuesday for a three-day visit with officials, including Mr. Saddam.

The visit "will underline the importance that France attaches to the complete and rapid application

of the accord," the ministry's spokesman said.

■ Invitation by Annan

Barbara Crossette of The New York Times reported:

Mr. Annan, opening a new channel of dialogue with Iraq on Tuesday, invited its foreign minister to New York to talk about problems the Iraqis have with the program that allows them to sell limited quantities of oil to buy food and medicines.

Discussions about the oil-for-food program have normally been conducted by lower-level officials and in Baghdad.

Foreign Minister Sahhaf could arrive as early as next week, shortly before the United Nations sends a team of experts to Iraq to assess the country's ability to pump and export more oil.

The Security Council agreed last month to allow Iraq to sell \$5.2 billion worth of oil every six months, but Iraq says that it can produce only \$4 billion worth and wants money to repair equipment.

Iraq has also complained that the United Nations is meddling with Iraqi prerogatives in some of the plans it has drawn up for an enlarged oil-for-food plan.

All imports supervised by the

United Nations and improvements in the country are intended to relieve the suffering of Iraqis who have lived under sanctions for more than seven years. The economic sanctions were imposed in 1991 after the Gulf War.

Mr. Annan's willingness to hear out Iraq's many grievances about UN programs is a departure. Earlier, the Security Council, led by the United States, isolated Iraq as much as possible, demanding that Baghdad abide by the rules and not try to change them.

The secretary-general, taking a different line, has spoken of the need not to humiliate Iraq but to draw the country back into the community of nations.

His comments at the United Nations and in Baghdad about understanding and respecting the Iraqis are at considerable variance with the language often used in Washington.

Iraq must be certified free of all weapons of mass destruction before the sanctions can be lifted. Even then, Iraq will be subject to extensive monitoring. Over the last year, however, Iraq has experimented with a variety of tactics in evade the inspection system that is closing in on some of Mr. Hussein's most sensitive properties.

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GATES: Defending Microsoft

Continued from Page 1

banking, newspapers, cable, and broadcasting, Internet service providers, applications, databases, browsers, you name it," he said.

Sun has developed a programming language called Java, which is meant to allow many different kinds of computers to interact with the Internet, a potential threat to the dominance of the Windows operating systems.

James Barksdale, president of Netscape Communications Corp., said: "I and many others have become increasingly concerned that Microsoft's abuse of its monopoly power, unless addressed through enforcement of our anti-trust laws, will adversely affect the course of American commerce and communications in the information age."

He added, "It appears Microsoft's ultimate goal in its acts was not just to market competitive Internet products but to put Netscape out of business." Netscape makes Navigator, the most popular browser for the World Wide Web section of the Internet, but its dominance has been eroded by Microsoft's Internet Explorer, which the company is integrating with Windows.

The rare Washington appearance by Mr. Gates drew extraordinary attention in the United States, where computers, e-mail and the Internet are a way of life. Several cable networks carried the hearing live, and a long line of people hoping to get seats stretched down the hall of the Senate Office Building.

Mr. Gates said it was "preposterous" to think that any one company could ever control access to the Internet. "Microsoft does not have monopoly power in the business of developing and licensing computer-operating systems," he said.

The committee chairman, Orrin Hatch, closely questioned Mr. Gates. The Utah Republican has been a critic of Microsoft, although in his opening statement he said the hearing was not meant as an orches-

trated attack on the company. He did ask Mr. Gates if he thought Microsoft had a monopoly.

Mr. Gates replied that Windows faced competition from outside the personal-computer industry, citing the network-computer concept supported by Sun and Netscape.

They and several other companies back these so-called thin clients, which might use a Netscape browser reading documents created in Java that mostly reside on a large server computer. This model of computing reduces the importance of the operating system on the personal computer.

Mr. Gates said: "At least outside of this room, Mr. McNealy has a plan to replace PCs. He talks about how fat clients, nobody should buy fat clients, and thin clients will totally replace PCs."

He's promoting a vision of computing that is a perfectly valid thing. This is a very competitive business, and I don't think it's fair to just come into this room and say, No, Mr. McNealy's Java OS has no chance of displacing Windows."

Also appearing on the panel was Michael Dell, chairman of Dell Computer Corp. Staffers of Judiciary Committee members recently called the company and asked if they could buy computers with Netscape's Navigator loaded. They were uniformly told they could not because Dell Computers had to come with Explorer.

Mr. Dell said Netscape was available to large customers who requested it but because the program is available for free on the Internet, Dell did not bundle it with computers sold to individual consumers.

Mr. Hatch said Microsoft's "breathtaking growth" has "for many raised serious questions about the future of competition and innovation in the software industry."

Senator Herb Kohl, Democrat of Wisconsin, was more pointed.

"Mr. Gates, no one — no matter how powerful — is above the law," he said. (Reuters, AP, AFP, AFX)

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'The Weir,' Ghostly Tales and Unspeakable Reality

By Sheridan Morley
International Herald Tribune

LONDON — The Royal Court Theatre, though still several months away from returning to its Sloane Square home, has managed in exile around St. Martin's Lane to fill two and sometimes three small stages with some immensely impressive work, but nothing better than "The Weir," which comes to the Duke of Yorks after a brief outing last summer.

In the dramatist Conor McPherson, we have yet another of the young Irish brigade that has lately colonized the London stage, but what sets him apart is a unique gift for monologue. His "St. Nicholas," a few seasons ago at the Bush gave us a drunken drama critic (as if such characters exist) who falls in with a group of South London vampires. It was somewhere between a ghost story and a shaggy dog story, but one of

remarkable poetry and potency. This time, in "The Weir," he gives us four regular hard drinkers, each with a ghostly tale to tell to the girl from Dublin who has just bought a house in the village until, inevitably, she tops them all with her own truly terrible personal story. So we have moved on a little, from monologue to dialogue.

McPherson's point here, it seems to me, is that the men can only overcome their sense of loss and failure by spinning these yarns, each of them just safely on the side of plausibility. What they are doing is essentially mythmaking, whereas what the girl finally offers is a slice of real, brutal if accidental life — the death of a beloved little daughter in a drowning accident.

Suddenly the men's tales are made to seem theatrical, if not downright phony. They are admirable barroom storytellers but the stories have been told for so long, from generation to generation, that they have lost all reality. Whereas the out-

sider, the one who has kept so demurely quiet as they told their oft-told tales, is the only one of them truly possessed by a ghost, and in that realization all the men seem almost to crumble as they go out to face the midnight air. What has held them together has been a fantasy, and now, suddenly, they have been faced with a reality, that the supernatural can and does still exist.

Jan Rickson's production is a master class in how to keep a fundamentally very static and talky play alive and moving, while the performances of Julia Ford and of Jim Norton and Des McAleer as two of the male, regulars, resonate with suppressed passion and lost hopes.

Meanwhile at the Ambassadors, Nancy Meckler's Shared Experience company has come in with "I Am Yours," a play by the Canadian dramatist Judith Thompson which has

taken more than a decade to cross the Atlantic. And although I fervently believe that we are still not seeing nearly enough contemporary Canadian or Australian drama in this country, "I Am Yours" does not make my case any easier. This co-production with the Royal Court is a rambling, enigmatic family drama cut up into 36 scenes, across which we come to learn of a couple of dysfunctional sisters and the boyfriend they collect along the way. But this remains really a play about the past; a kind of familial guilt hangs listlessly over the sisters. The admirably literary Meckler has directed as though this were some vast novel of a hygroscopic in which very little happens with immense elegance.

The trouble is that it's not, rather it is a contemporary piece about the horrors facing unloved one-parent mothers, and the general air of drift and despair that would seem to characterize suburban

Canadian life. There are many better plays than this hovering around the Toronto fringe, and it would be good to have a look at one that did not so determinedly resemble a daytime soap for the emotionally disenfranchised. In a cast of six, not one makes us really care what happens to them, and one ends up wishing they would cease dumping their long leftover teenage anxieties about sex and marriage on us.

Both these plays are well within the Royal Court's brief for discovering challenging new writing. But what makes "The Weir" so much better than "I Am Yours" is its urgent willingness to draw us into the charmed circle by the pub fireside, whereas the other play holds us at arm's length. There is a deliberate lack of involvement here, and it spreads like a forest fire. At the end of the evening, one is left idly wondering what would be the hourly rate for a family therapist who had to sort out this mess.



A scene from "I Am Yours."

Trilok Gurtu: No Written Notes, Please Indian Percussionist Prefers Leaning on the Spirit of Music

By Mike Zwerin
International Herald Tribune

PARIS — Coming from the Indian improvising tradition, percussionist Trilok Gurtu gets impatient with Western musicians referring to written music on stage when they do not really need it. It's an ego trip, an advertisement of their own literacy perhaps, a crutch; it means they are likely to lean on intellect rather than the spirit. Whatever, he tells his musicians: "No paper, please."

On stage once, he looked over and every last one of them had stands with written music in front of them. And nobody, not one, was looking at it. So he surreptitiously turned the pages upside down and shuffled their order.

"And you know what?" he exclaims with his piqued smile: "My God! Those guys didn't even notice, man."

This month, Gurtu is releasing "The Glimpse" (Escapade), a new album. He wants listeners at least to glimpse his new fusion between Indian tradition and cutting-edge pop music.

"People are asking me," he says, with his lilting southern Indian English, "Are you trying to be commercial?"

Gurtu is balancing on the balls of his feet and speaking urgently as though his life depended on it. Youngsters of Asian descent in London, who make techno or jungle music or bass and drums or however you call the latest club rage there, have recently begun to sample Gurtu's albums — in effect stealing passages — for records of their own. So Gurtu is suddenly in the front of a lot of contemporary mixes.

He's "so happy. They do not pay but I am proud. When I go there now, they know me in London. Of course it took 15 years, but never mind. They are my promoters. They go and talk about me in their magazines. It even gets back to India from London. They make my music more accessible. So finally I thought: 'Why don't I do this myself?'"

Actually, he had already done it back in the 1970s with the late pocket trumpet and "world griot" Don Cherry, ex-Omette Coleman. Now is a particularly fortuitous time to take it a step further since "everybody is using '70s elements, like Fender Rhodes pianos. They are all going back there."

"Ganspati," the first track on "The Glimpse," is dedicated to Cherry, whose pop star daughter Neneh Cherry sings it. (The album is, he says, "vocally based.") His mother Shobha Gurtu sings on it. She is an "Indian diva... a superstar in my country."

The big difference is that whereas Indian music has influenced the leading jazz musicians of our



Percussionist Gurtu: "I have a voice, I have a sound, I am not imitating."

time like Cherry and John Coltrane, Gurtu is basically coming at it from the opposite direction, a less-traveled road — adding jazz grammar to Indian music. His use of unusual instruments like the sitar, ganawa, harmonium and kaval puts a fresh face on everything.

Fresh faces in pop music are rare. "Nothing fresh is happening today," he says. "Everything is a hit stagnant." As he speaks, Gurtu begins to move his upper body like a prizefighter, like the agile percussionist he is. It's a conversational equivalent to his habitual dance around his wide-open intercultural instrumental spread that includes a conga drum, temple blocks, an Indian dhol drum, high-hat cymbals, a Buddy Rich crash cymbal, African cowbells, tuned pans and an Italian bical.

"Everybody," he continues, "in pop and jazz alike, is taking from here and from there. I am remaining what I am with this record. I have a voice, I have a sound. I am not imitating."

Gurtu lives in Hamburg and is increasingly busy concertizing between London, New York, Bombay and Buenos Aires. It was tough for him

God in India, was a drummer.

You might imagine that there are plenty of eager young students and musicologists who want to learn how to sift through Gurtu's rich experience. He has performed with Jack DeJohnette, who calls him "Pasha," as well as the world fusion group Oregon, John McLaughlin and Gil Evans. But Pasha appears to be quite happy to be able to say that "except for one, all my students have left me."

"I'm not interested in just any one who appears at my door with \$100. They have to love and be serious about music. These young people today are in need of education. You know, even my one student argues a lot with me."

"They think they know it all. Michael Jackson sang this song from the Beatles. You know, 'Come Together.' The kids don't know that the Beatles wrote that. But I tell them: 'It was Lennon and McCartney.' They do not want to hear about it; they think the Beatles are for old people. But you should know what the face of the original is before you make your own version of it. First of all you must clear the past. This is what I learned in India."

to break into New York. The Americans do not welcome jazz from abroad (like it or not, that is how he is classified). But the audiences are enthusiastic now and he loves them. He has performed with Carlos Santana, Bill Laswell and with the dancer Carolyn Carlson; minimalist composer Terry Riley is writing a piece for him.

"The Glimpse" features rock guitar hero Steve Lukather, of Toto fame. Gurtu had sent him a work tape. Gurtu wanted a Slushy rock sound. It was difficult music, in 7/4 time. But he told Lukather to make it sound easy, always like a 4/4.

Modern musicians from Cuba have said that they avoid certain passages that have religious or deeply traditional origins because some people might consider it heresy. Gurtu confirms that there are also some cases like that with Indian music. "But in general, I think one has to do what the music requires. A composer composes music to make a certain statement. If I think I better not play that because the Indians will kill me or something, then the music is going to be lost. So I do it for the music. If I'm honest, nobody is going to punish me. If I'm dishonest, then I will pay for it."

He thinks about that, and then continues: "Music is all one. It cannot be separated. Southern Indian music is funky and close to Cuban music. Jazz is close to both of them. Brazilian music is close to African music. The geography in each place may vary and the sun may shine more here than there. And everybody has different dances. But they all have a groove. Shiva, our supreme

An International Star Sets Sights on the U.S.

By Elisabetta Povoledo
New York Times Service

INVERIGO, Italy — When Eros Ramazzotti was born, his father, an aspiring singer whose own dreams of stardom never materialized, named him after the Greek god of love. He thought the name would bring his son good luck.

Thirty-four years and 25 million records later, Ramazzotti is a pop superstar in Europe and Central and South America.

Now he has set his sights on the United States, where he hopes to make the kind of mainstream breakthrough that no other Italian pop singer has achieved. In most cases language has been a barrier, and Ramazzotti, who speaks little English, knows it won't be any less the case for him.

"I think I'll have success with the Italo-Americans, but with Americans who don't speak Italian, well, I just don't know," Ramazzotti, handsome in a teenage heartthrob kind of way, said recently at his villa in this picturesque village north of Milan. "But, I've always felt it's important to grow. You should never feel as though you've arrived."

On Friday, he opens the North American leg of his world tour with a performance at Radio City Music Hall in New York City. The tour is to promote his ninth album, "Eros," which has sold nearly four million copies since its release last October. Most of the album's 16 songs — love ballads, in the main — are rerecordings of previous hits, but the new versions are more sophisticated, the arrangements more complex, reflecting a growing maturity.

A duet with Tina Turner, "Cosas de la Vida" ("Things of Life"), intertwines Ramazzotti's characteristically nasal inflection with Turner's big, hawdy voice, reworking an already raunchy song into an even more gregarious dance number. The remixed album, the second to be produced by the singer, brought in many accomplished American musicians, a sort of Who's Who of studio recording artists. The result is a more polished, better produced record than Ramazzotti's earliest efforts.

In his push for a wider audience, Ramazzotti is scheduled to make the rounds of American television with Turner, ranging from "The Tonight Show With Jay Leno" and "Good Morning, America" to major Hispanic television and radio shows.

Ramazzotti has been singing in both Italian and Spanish since 1988, and his label, BMG, hopes to capitalize on his bilingual ability to articulate the language of the heart.

"The Latino market is the fastest-growing market in the United States," said Heinz Henn, senior vice president for artists and repertoire and marketing for BMG International in New York. "Latino artists sell enormous numbers, and at the same time more and more are crossing over. We have high expectations from Eros and are promoting him so heavily. A full attack on all fronts."

According to BMG, Ramazzotti's previous album — released in Italian as "Dove c'è Musica" ("Where There Is Music") and in Spanish as "Donde Hay Musica" — sold more than six million copies worldwide, 500,000 in the United States alone.

But Ramazzotti isn't the first Italian pop act to try to make it in America. One of Italy's first rock groups, PFM, a band inspired by

Genesis, achieved limited success when it toured college campuses in the early 1970s.

For the last five years or so, the singer Zucchero, who is known as the Italian Joe Cocker, has performed frequently in America with little or no recognition. In 1991, when Ramazzotti first played at Radio City Music Hall, he was disappointed to find that his audience was mainly Italian-American.

"Some artists try hard to get out of the whole Italo-American thing," explained Ezio Guaitamacchi, editor of the monthly Italian music magazine Jam. "But it never really happens. You can be No. 1 in Italy, but in the States you're still a complete unknown outside the Italo-American community."

The only Italian pop singer who has made a dent in the American music scene is Andrea Bocelli. But Bocelli's background is classical music, and his best-selling album, "Romanza," which has sold 620,000 copies in the United States, alternates between operatic arias and ballads of the most Mediterranean kind.

Bocelli and Ramazzotti may be at opposite ends of the music spectrum, but they join forces on "Musica E" ("Music Is"), a nine-minute ballad on "Eros" that gives full vent to Ramazzotti's lyricism.

He and his record company have reason to be optimistic about his chances in America. They point to the success of performers like Gloria Estefan, Ricky Martin, Enrique Iglesias, Luis Miguel and Selena, all of whom have had hits in Spanish, as an indication of the growing acceptance by Americans of performers singing in a foreign language.

The collaborations with Bocelli and Turner can also only help to raise Ramazzotti's profile in the United States among mainstream listeners. The song with Turner indicates how his music is being tailored for an American audience. Not only is it sung in English and Spanish, but the studio musicians who collaborated on it include the drummer Vinnie Colaiuta, a regular with Sting, the guitarist Mike Landau, who works with Pink Floyd, Quincy Jones and Celine Dion, and vocalists like Jim Gilstrap, Alex Brown and Phillip Ingram, who have backed up Stevie Wonder, Aretha Franklin, Michael Bolton, Elton John and Natalie Cole.

"The American sound suits my music well," he said. "The result is a more international record. We live in a world where fusion is important." The video was directed by Nigel Dick, who has worked with the Cult, Paul McCartney and Guns N' Roses.

BEING darkly handsome won't hurt his chances with American audiences either: or will his rags-to-riches life. Reared in the tough Roman neighborhood of Cinecittà, Ramazzotti was pushed into show business by his father, a house painter. At 7, Ramazzotti began to play the guitar. (He now owns more than 70.)

Turned down at the Roman Music Conservatory because he lacked the necessary musical background, he worked at a series of jobs — bartender, house painter, bricklayer — until his father signed him up for a music competition. Success came in 1984 when he sang at the San Remo Festival of Italian Song, a pop-music competition that annually earns the highest ratings among Italian television viewers. Two years later, at 22, he won the festival and became an instant star. Since then, his popularity has become international.

Milan Fashion: Prada's Running Backward Toward the Future

By Suzy Menkes
International Herald Tribune

MILAN — Just when you thought fashion was coming up roses, here comes Prada to ruin the romance. Short sharp shapes, graphic lines and curved seams gave Miuccia Prada's new fall collection a stark geometry in contrast to the feminine lightness, languid softness, long hemlines and sweet embroideries on other runways. But then Prada has been there, done that.

The new show was strong, a little weird and provocative, with its interplay of plastic plaques and dresses broken up with slotted seams. It was also resolutely modern. But here is the conundrum: Why do all roads forward lead back to earlier fashion futurists?

"I was trying to make something organic with movement," said Prada, to explain the loose panels flying from short pleated skirts and plastic decoration moving like articulated scales. Think Pierre Cardin and Paco Rabanne in the 1960s.

The stark white dresses, some with off-white boots, were rooted in the Courreges era. Even the shiny shoes with concave heels — projected on the wall as they walked the runway — had bicolor Op Art effects.

Yet the silhouette had been redrawn for 1998 using both compass and square, so that linear dresses might have an arc of seam. The focus was on skirts and dresses worn with coats, putting jackets in the shade and marginalizing pants, which is a significant shift from all the avant-garde designers.

The point of Prada's show was to find a modern way to decorate minimalist clothes, by using fabrics with surface interest, like felted wools or astrakhan. Or to add high-tech highlights: a grid pressed into the fabrics with an industrial iron, or slithers of clear plastic appliquéd like Band-Aids.

As ever, the Prada show was unexpected, original and gave the impression of being either out on a limb — or way ahead of the game.

The danger is that this kind of arsy, intellectually challenging fashion is too confusing for folk just looking for clothes — the women who will turn to MaxMara for a nice soothing coat in quality fabric, pared down with a sleek fly-front fastening and industrially fused seams.

MaxMara did a good job of turning minimalism into user-friendly clothes. Looking for a new-generation pantsuit? Then try narrow trousers with a fluffy mohair tank top or a camel-hair T-shirt fronted in sheared mink. Need a new

skirt? There is a box-pleated version that will be kind to your hips. The kimono seaming, giving a snug shoulder and flat sleeve to coats and jackets, will be an important change in mainstream tailoring.

In spite of quoting Dada as the inspiration for its new alphabet-soup logo, Missoni struck the right note between art and craft. The tumbled letters, spelling out the company name in Luxe stitches, decorated the dresses and sweaters. A cute new wrapped-and-knife-pleated knit skirt looked fresh.

NOW that Angela Missoni is at the helm, she is experimenting with color and pattern, subduing the rainbow hues to the blues of an oil slick or the greens and russets of camouflage. Another novelty was to cut around the camouflage to create an airy mesh.

Yet Missoni's sportswear theme, which should have been central, never quite ripened. There were strong individual pieces like zippered cardigans, bouclé coats, nylon parachute pants with a knitted stripe in the zipped sides and a polo shirt elongated to a dress. Maybe it was the high-beel shoes and the parade of skinny knitted evening dresses, lighted with pin-prick beads,

that made the collection seem too lady-like and lowered the energy level.

When fashion folk talk about "intellectual" clothes they think of the Japanese designers like Yohji Yamamoto, Comme des Garçons and Junya Watanabe. Gianfranco Ferré certainly did, and it was dispiriting to see a designer of his stature so blatantly plagiarize others to give his secondary OFF line a borrowed edge.

Showing in a cavernous warehouse, with models first lined up in black shrouds to ping-and-gong Japanese music, then re-creating a famous Irving Penn image of models on a ladder, Ferré's show spelled Art with a capital "A." But any fashion follower could have recognized nail-studded suits, wadded white skirts and even cloche hats from Japanese designer runways. A few experiments with high-tech fabrics seemed like Ferré's own work.

In a fashion city where there are more followers than leaders, it was refreshing to see Stephan Janson do his own individual thing, which is couture-inspired clothes like kimono-cut coats in double-faced fabrics and tweed and velvet fancied up with feathers. He has been tapped to design for Emilio Pucci, whose signature prints are in search of a modern silhouette.



Missoni's lettered sweater.



Prada's rectangular dress.

Various small advertisements and financial data on the right margin, including "KOCERA PR", "Trade Over", "Takeover", "CURREN", and "OFF Give".



Firms Trade Barbs Over Takeover

Computer Sciences Tries To Fight \$9.8 Billion Bid

By Mitchell Martin
International Herald Tribune

NEW YORK — Charles Wang, the chairman of Computer Associates International Inc., wonders why Computer Sciences Corp. will not ask its stockholders if they want to sell him their shares.

"Just put it to the shareholders and let them decide. If they don't want Computer Associates and myself, they'll say go away and they'll reject it," he said in an interview, referring to his company's \$9.8 billion takeover offer.

Computer Associates, which creates software for businesses, wants to expand into services by purchasing Computer Sciences, which helps companies integrate computers into their operations.

To get into the business, Computer Associates is offering a substantial premium to Computer Sciences shareholders. Computer Sciences shares were trading in the low \$80s when Computer Associates approached it in December, and they closed at \$88.50 on Feb. 9, the day before the \$108-per-share offer was made public. Computer Sciences shares closed Tuesday down 93.75 cents at \$107.

For Computer Sciences, the issue is not simply money on the table, said Bruce Plowman, a spokesman for the company, which is incorporated in Nevada. Mr. Plowman said the offer was not in the best interests of other interested parties, including employees, suppliers and customers.

"Under Nevada law, the directors' decision involves consideration of the interest of the corporation's employees, suppliers, creditors and customers and the long-term as well as the short-term interests of the corporation and its stockholders, including the possibility that these interests may best be served by the continued independence of the corporation," Mr. Plowman said.

There is some support for his contention that a takeover by Computer Associates, known as an aggressive buyer and consolidator of other software companies would be bad for interested parties in Computer Sciences other than its shareholders.

Allie Young, an analyst at Dataquest Worldwide Services, said at the time of the bid that the offer did not make sense from the target's point of view, except for the premium paid to the shareholders. She said that if the company were to be acquired, it would make more sense for another services company to buy it.

Mr. Plowman noted that his official rejection of the tender offer, filed Monday, held out the possibility that Computer Sciences would negotiate with another buyer. He also said that the company felt rushed by a "false sense of urgency" in the Computer Associates approach and that the board might later be willing to negotiate at a higher price.

Documents supporting a higher price are to be released Wednesday, he said.

Mr. Wang said Van Honeynut, Computer Science's chief, originally had wanted more money than the \$100 per share that Mr. Wang and Sanjay Kumar,



SILVER STANDARD — Rolls-Royce's Silver Seraph making its debut Monday at the Geneva Car Show. The new model replaces the Silver Spirit, introduced in 1980. More news on the show, Page 17.

WALL STREET WATCH

Missteps Chip Away at Motorola Image

By Barnaby J. Feder
New York Times Service

As the U.S. wireless communications industry transforms itself from analog to digital technology, Motorola Inc., whose reputation for innovation, high-quality products and smart strategic thinking flourished in the early 1990s, has looked surprisingly clumsy at times.

The latest embarrassment stemmed from reports last week of a falling out with Primeco Personal Communications LP, which has a \$500 million contract with Motorola to help build a nationwide digital wireless phone system.

Primeco has apparently become so annoyed with disruptions in service that it is planning to cancel the contract and perhaps take the drastic step of ripping out equipment already purchased.

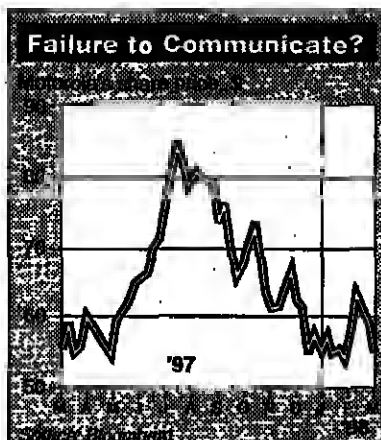
Analysts say the direct impact of ending the Primeco relationship would be minimal; Motorola had nearly \$30 billion in annual sales last year. But the news certainly does not help a corporate image tarnished by several missteps in recent years, missteps that make analysts worry that other customers may become more hesitant to sign major new contracts with Motorola.

Making matters worse, Motorola is also confronted with some challenges beyond its control. The biggest is the economic crisis in Asia, where it got 26 percent of its revenue last year.

No wonder Motorola, the semiconductor and telecommunications giant based in Schaumburg, Illinois, has Wall Street anxiously wondering how the company will regain the momentum that made it so popular among investors in the early 1990s.

"The range of earnings projections for Motorola this year and next is wider than usual," said Charles Hill, director of research at First Call Corp., which monitors reports from 29 analysts at brokerage firms that follow the company.

Nine of those analysts have strong "buy" recommendations on the stock, but one has an outright "sell" recommendation—rare for Wall Street—and



12 others list Motorola as a "hold."

For many, the biggest uncertainty comes from the same questions hanging over much of American industry: How deep will Asia's financial woes get and how long will they persist?

Asia affects Motorola in two ways. Demand for semiconductors and other key products has weakened during the months of financial turmoil in the East Asia. Telephone companies in struggling nations like Indonesia have put big-ticket contracts for new cellular telephone network equipment on hold.

And Asian manufacturers selling products like cellular phones are likely to be tougher competitors, if they are based in countries like South Korea where the local currency has plummeted in value, giving them a sizable cost advantage.

But Wall Street has also been worried—and frustrated—by the ways Motorola has been hurting itself. As the Primeco episode highlights, the biggest such problems at the moment are in wireless communications products.

Much of the luster investors attached to the Motorola name—the stock is still raved only by Intel Corp. as a favorite technology holding of investment clubs—was gained when demand for its papers soared and its analog cellular technology dominated the market along with

that of LM Ericsson AB of Sweden.

But over the last three years, Motorola ranked 97th of the 100 largest publicly traded companies in the total return it offered its investors.

Industrywide downturns in the huge semiconductor business hurt. So did the failure of the Power PC microchip Motorola developed with IBM to grab significant market share in the personal computer business.

The last thing the company needed was another blow to its image as a technology pioneer. But that came last week when Crain's Chicago Business reported that Primeco wanted to cancel its contract and remove Motorola equipment that was already installed.

Last Tuesday, after The Wall Street Journal published additional details, Motorola's shares fell nearly 5 percent, to \$57.625.

The share closed Tuesday up 31.25 cents at \$56.25.

In July, the shares reached a 52-week high of \$89.9375.

Allegations on 'Mr. Yen' Knock Currency Down

By Sheryl WuDunn
New York Times Service

TOKYO — The yen slumped Tuesday as traders worried about the economic impact of corruption accusations leveled against the top Finance Ministry official in charge of international affairs.

The Finance Ministry immediately defended the official, Hisuke Sakakibara, but said it would investigate the allegations. Mr. Sakakibara, who is known as "Mr. Yen" because of the impact his comments often have on the foreign exchange markets, was traveling in Southeast Asia and could not immediately be reached for comment.

The allegations of wrongdoing were made initially in 1991. They resurfaced Tuesday when Shozo Kusakawa, an opposition lawmaker who has raised cases of wrongdoing in the past, accused Mr. Sakakibara, the deputy minister for international affairs, of misbehavior in a series of instances dating back to 1987. Mr. Kusakawa did not present any specific evidence for the charges.

"We will look into the allegations carefully," Finance Minister Hikaru Matsunaga told a budget committee meeting Tuesday in Parliament.

The Finance Ministry has been heavily criticized recently for economic mismanagement and a separate series of scandals in which two officials were arrested on charges of having been enticed by banks they supervised.

Mr. Sakakibara is the most senior official caught in the swirl of attacks against the ministry so far. An articulate spokesman for the ministry and a former teaching fellow at Harvard University, he forged a 1995 arrangement with U.S. Treasury officials to bolster the dollar.

His impact on the markets was felt again Tuesday, as the dollar rose from 125.61 yen at the close Monday, after reports of the accusations. In late trading in New York, the dollar was at 126.340 yen, up from 125.530 yen on Monday.

Mr. Kusakawa accused Mr. Sakakibara of helping a company, which was not identified, win \$1.7 million from Daiwa Securities Co., one of the top Japanese brokerages, in compensation for investment losses. Mr. Kusakawa alleged that Mr. Sakakibara was an acquaintance of the company's president and had been entertained by the company on 15 occasions from 1987 to

1990, and accepted taxi fares worth more than \$300 each time.

There is no evidence so far of any wrongdoing, and the Finance Ministry said Tuesday it was aware of the matter.

The Securities Bureau and the Securities Ministry's secretariat and the ministry's second most influential bureaucrat, told Parliament. "Mr. Sakakibara and the company president were already acquaintances, having met each other once or twice a year. We know the facts and think there were no problems."

Another senior Finance Ministry official said of the charges: "They have never been substantiated."

Mr. Sakakibara was criticized last month for saying that Mr. Matsunaga should be allowed time to attend international gatherings like the meeting in London last month of fellow finance ministers of the Group of Seven leading industrialized nations. Some critics took his comments as a slight that suggested that international meetings were more important than the parliamentary sessions in which the budget and other financial bills are being debated.

Mr. Sakakibara also was criticized for saying that the government has shifted from a tight fiscal policy as early as December, when it announced a 2 trillion yen tax cut and a 30 trillion yen bank bailout package. His comments came as Prime Minister Ryutaro Hashimoto and other senior government and Liberal Democratic Party officials were saying there would be no change in economic policy.

The Finance Ministry publicly apologized for Mr. Sakakibara's policy remarks, and Mr. Matsunaga issued a warning to the deputy minister that many construed as an official reprimand.

Japan Ready to Ensure Growth

Mr. Sakakibara said Tuesday that Tokyo was prepared to take fresh measures to ensure growth in the domestic economy and the region. Reuters reported from Kuala Lumpur.

"We have taken necessary measures and continue to address the problem, recognizing that Japan is an anchor economy in the region," he said, without providing details.

Mr. Sakakibara is on a three-nation tour of Southeast Asia to discuss how to resolve the regional economic crisis.

Spin-Off Gives Ford Huge No-Tax Gain

Compiled by Our Staff From Dispatches

DEARBORN, Michigan — Ford Motor Co. said Tuesday it would record a \$16.5 billion gain from the spin-off of its consumer finance unit after learning that it would receive "tax-exempt" status for the deal.

Ford bought Associates First Capital Corp. in May 1989 for \$3.35 billion and sold 19.3 percent of it to the public in 1996. It is spinning off its remaining interest so it can concentrate on automaking, while giving Associates more flexibility to sell stock and acquire companies.

Ford valued its stake in the unit at \$22.7 billion — \$4.7 billion higher than when the spin-off was presented in October, reflecting the unit's appreciating stock price.

Associates, based in Dallas, closed at \$64 on Oct. 8, when Ford announced the spin-off. The stock rose 50 cents to

\$81.75 on Tuesday. Ford closed at \$48.25 on Oct. 8 and rose \$1.6875 on Tuesday to \$58.50.

David Healy, a Burnham Securities analyst, said that even though the stock had risen, the valuation on Ford shares "is still quite conservative."

After the spin-off was presented, Standard & Poor's Corp. downgraded its rating on Ford's senior debt because Ford will be giving up substantial earnings from Associates. But in a note last month, Scott Sprinzen, a debt analyst for S&P, wrote, "Ford's financial flexibility will remain considerable, particularly in light of its large cash position."

Ford's decision to distribute its 80.7 percent interest, or 279.5 million shares of the finance company, follows an Internal Revenue Service ruling that the distribution qualifies as a tax-free transaction. (Bloomberg, Reuters, AP)

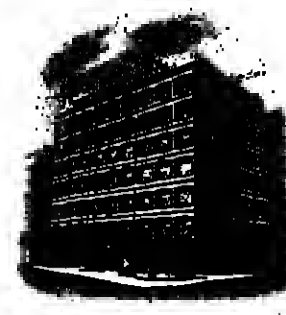
CURRENCY & INTEREST RATES

Cross Rates									
	US	UK	FR	DM	JP	CHF	SEK	YEN	Other
Australia	1.28	1.28	1.27	1.27	1.27	1.27	1.27	1.27	1.27
Canada	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
France	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55
Germany	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italy	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japan	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
UK	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Switzerland	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Sweden	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Other	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27

Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentine peso	0.0099	Israeli sheq.	2.03	Malaysian ringgit	0.51	S. Afr. rand	4.75	S. Korean won	180.00
Australian \$	0.70	Japanese yen	109.00	N. Zealand \$	1.27	S. Korean won	180.00	Singapore dollar	1.35
Belgian franc	6.55	Portuguese escudo	200.00	Phil. peso	39.60	Taiwan \$	25.00	Sri Lanka rupee	120.00
British pound	0.69	Romanian lei	10.00	Polish zloty	3.47	Thai baht	40.00	Uruguayan peso	100.00
Canadian dollar	0.70	Russian ruble	100.00	Peruvian sol	100.00	Uruguayan peso	100.00	Venez. bolivar	200.00
Chinese yuan	8.27	Slovak koruna	100.00	Slovenian tolar	200.00	Venez. bolivar	200.00		
Czech koruna	20.00	Slovenian tolar	200.00	Slovenian tolar	200.00				
Danish krone	6.55	Slovenian tolar	200.00	Slovenian tolar	200.00				
East German mark	1.00	Slovenian tolar	200.00	Slovenian tolar	200.00				
East German mark	1.00	Slovenian tolar	200.00	Slovenian tolar	200.00				
East German mark	1.00	Slovenian tolar	200.00	Slovenian tolar	200.00				

Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day	Currency	30-day
Canada	1.450	1.450	1.450	Japan	125.45	125.45	125.45	UK	0.690
France	6.550	6.550	6.550	Swiss franc	0.700	0.700	0.700	US	1.000
Germany	1.930	1.930	1.930	Other	1.270	1.270	1.270		

Sources: ING Bank (Amsterdam); Citicorp (New York); Bank of America (Charlotte); Bank of Montreal (Montreal); Bank of Canada (Ottawa); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (Washington). Other data from the Associated Press, Bloomberg and Reuters.



Headquarters of Republic National Bank of New York (United Nations Plaza, New York)

Global Private Banking
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In this age of electronic mail and digital everything, private banking by Republic is still a matter of personal relationships.

We believe, and have always believed, that our number one job is to build a close, enduring relationship with each private banking client.

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As a Republic private banking client you have your own personal Account Officer, someone you can count on to look after your interests. He's there to evaluate investment opportunities, warn you against pitfalls, and make certain your instructions are carried out to the letter.

It is a long-term relationship based on genuine concern and commitment - the rare combination that makes Republic a truly one-of-a-kind bank.

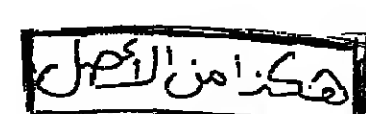


World Headquarters of Republic National Bank of New York in New York

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Buoyed by Boxster, Porsche Profits Climb

Compiled by Our Staff From Reuters

STUTTGART — Porsche AG revised its first-half profit figures Tuesday to show an 82 percent increase, compared with a 69 percent increase reported in January.

The luxury carmaker said profit rose to 69.7 million Deutsche marks (\$38.7 million) in the six months ended Jan. 31, up from \$34.4 million DM a year earlier. Porsche said Jan. 23 that profit was 65 million DM, according to preliminary figures.

Porsche also forecast group sales for the year of more than 4.5 billion marks, based on estimates that the company would produce more than 38,000 vehicles in the current financial year that ends July 31, 1998.

In a statement issued during the Geneva Car Show, Porsche said sales rose 10.2 percent to 1.96 billion DM. Porsche sold 14,958 cars, 10.4 percent more than a year earlier.

Porsche said in January that the increases were a result of demand for its convertible Boxster model.

The number of people employed increased by 3.3 percent to 8,160 at the end of January, because Porsche Japan was incorporated into the group at the beginning of the year and because the firm employed additional engineers.

Also on Tuesday, Porsche's chief executive, Wendel Wiedeking, said the luxury car maker expected to decide in two weeks whether to build a sports utility vehicle.

Mr. Wiedeking spoke after a report in Automotive News Europe, citing unnamed sources, which said Porsche has made a decision to build the car using Volkswagen AG's W12 engine. The car would cost at least 80,000 Deutsche marks, Automotive News said.

Mr. Wiedeking confirmed Porsche is talking to Volkswagen and a foreign carmaker which would help develop the car.

Porsche is one of several European carmakers studying the market for sports utility vehicles.

Analysts say demand for such cars is waning in the United States and unlikely to take off in Europe because the cars use too much fuel. Still, Porsche's version is expected to have more in common with sports cars and provide more performance than typical four-wheel drive vehicles.

If Porsche decides not to build the car, it won't go into any other market segments, Mr. Wiedeking said. "Porsche will remain a sports car maker," he said.

GENEVA — General Motors Europe reported Tuesday that operating profit had fallen 19 percent in 1997, to \$824.1 million, as it set aside funds for costs associated with the restructuring of its Opel AG division in Germany.

But pretax profit rose 5.7 percent to \$1.1 billion from \$1.04 billion, Richard Donnelly, the GM unit's president, said at the international car show here.

GM Europe is responsible for cars sold under the names of Opel, Vauxhall and Saab as well as for GM cars made in North America and sold in Europe.

Revenue fell 5.6 percent to \$24.1 billion.

Profit for Opel and Vauxhall slumped to \$471 million from \$778 million due to an exceptional charge of \$488 million for the restructuring of Opel. Mr. Donnelly said.

General Motors also said Tuesday it expects the new version of its Opel/Vauxhall Astra to sell 500,000 units in Europe in 1998. The car is due to go on sale March 20.

GM executives said development of the new Astra, with all its models, had cost around \$2.3 billion.

Company executives said the main thrust of group strategy this year would focus on the successful introduction of the Astra range and efforts to keep European costs under control.

They did not give specific cost-saving targets or comment on possible redundancies.

Opel said it expected better results this year. Last year it posted a net loss of \$17 million as it paid to trim the workforce and to introduce the revamped Astra.

Europe's second-largest carmaker after Volkswagen AG is cutting costs and streamlining production as it loses ground in the Continent's sluggish market. Such rivals as Volkswagen AG and Renault are bringing out more new models faster and leading a price war aimed at adding orders to cars at no extra cost. Opel's European market share last year fell 0.4 percentage points to 11.6 percent.

"We've had 100,000 new orders, 50,000 in Germany, in less than one month," for the revamped Astra, said David Herman, the Opel chief executive, at the car show.

(AFP, Reuters, Bloomberg)

Restructuring Dents Results At GM Europe

Compiled by Our Staff From Reuters

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(AFP, Reuters, Bloomberg)

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	1,079.27	1,069.71	+0.96
Brussels	BEL-20	2,741.28	2,749.39	-0.29
Frankfurt	DAX	4,757.14	4,736.74	+0.43
Copenhagen	Stock Market	702.09	697.90	+0.60
Helsinki	HEX General	4,111.34	4,160.81	-1.18
Oslo	OBX	701.87	697.78	+0.59
London	FTSE 100	5,807.70	5,820.60	-0.22
Madrid	Stock Exchange	793.72	792.46	+0.16
Milan	MIBTEL	20,304	20,383	+0.39
Paris	CAC 40	3,414.87	3,446.70	-0.92
Stockholm	SX 16	3,660.12	3,707.54	-1.28
Vienna	ATX	1,425.78	1,415.87	+0.70
Zurich	SPI	4,481.72	4,489.18	-0.17

Very briefly:

- The German Credit Office approved allowing customers of the country's five largest publicly traded banks to use automated cash machines at any of the banks — Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG, Bayerische Vereinsbank AG and Bayerische Hypotheken- und Wechsel-Bank AG — without charge.
- Romania's Senate approved legislation on bank bankruptcies, a move demanded by the International Monetary Fund and the World Bank. Moody's Investors Service Inc. declared the credit outlook for Romania's banking system poor, saying banks were struggling with a weak economy, asset quality problems and government ownership.
- France's aerospace industry said sales rose 19.4 percent to a record 130.2 billion francs (\$21.5 billion), as a surge in exports and a stronger dollar countered a decline in state spending.
- Electricite de France's pretax profit rose 20 percent in 1997, to 7.1 billion francs, but net profit fell 21 percent, to 1.5 billion francs, as the company paid taxes for the first time. A price cut reduced sales by 2 percent, to 186.5 billion francs.
- Credit Agricole d'Ile-de-France's 1997 profit rose 25 percent, to 381.7 million francs, from 1996 as the Paris region arm of Credit Agricole reduced charges for bad loans by a third, to 478 million francs.
- Belgium's unemployment rate fell to 12.9 percent in February from 13.1 percent in January, according to the government. The jobless rolls were reduced by 6,800 people, to 442,510. Nonetheless, the International Monetary Fund said it was concerned about Belgium's high unemployment and taxes.
- Bolig-og Naeringsbanken ASA of Norway said it was in talks to take over Fokus Bank ASA, a regional bank in a stock swap worth 2.19 billion kroner (\$290.4 million).
- Halifax PLC will buy back up to £1 billion (\$1.65 billion) worth of its shares in the next year. The bank, which went public last year, said pretax profit rose 15 percent in 1997, to £1.65 billion.

(Bloomberg, Reuters, AFP)

Texas Utilities Increases Bid For Britain's Energy Group

Compiled by Our Staff From Reuters

LONDON — Texas Utilities Co. increased its offer for Energy Group PLC and bought almost 14 percent of the British company's stock Tuesday, pulling ahead of PacificCorp in a struggle for control.

PacificCorp, meanwhile, said it had increased its stake in Energy Group to 8.8 percent, from the 8.6 percent it had bought Monday.

The Texas utility's offer of £5.3 billion (\$10.4 billion) in cash and assumed debt, equivalent to 840 pence a share, came little more than 12 hours after the Portland, Oregon-based PacificCorp increased its offer to £6.22 billion.

While the contest has lifted the price of Energy Group's stock 54 percent since it began last June, it also has led analysts to question whether the American companies are losing sight of the value of the prize.

"It's becoming a battle about how big your checkbook is," said Gordon Cufley, a utilities analyst at Greig Middleton & Co., in Scotland. "This is good news for Energy Group shareholders, but Texas and PacificCorp should ask if it's good for their own shareholders."

Britain's electricity industry has been a hotbed of merger activity the past few years, with big American utility holding companies prominent among groups that have bought out most of the nation's regional electric companies.

Energy Group came up for grabs when it was spun off from the old

Hanson PLC conglomerate — creating a new power company that was big in both the American civil industry and the British electric utility industry, yet small enough to be acquired.

U.S. companies are attracted by the prospect of higher returns in the British energy market, which is less regulated than the American one. They also may use Britain as a springboard to buy into Continental Europe's power industry, as it opens to competition. The victor in the current battle will be the 11th U.S. company to acquire a British utility.

Energy Group shares surged as much as 33 pence, or 3.8 percent, to 840.5 pence, before falling back to 838 pence. It closed at 805 pence on Monday.

(Bloomberg, AP)



BRANSON TILTS TOWARD TRAINS — Richard Branson, chairman of the Virgin Group, posing Tuesday with a model of a "tilting train" that he plans to introduce on routes bought by Virgin after the privatization of British Rail.

Asia Takes Sparkle Out of De Beers Profit

Bloomberg News

JOHANNESBURG — De Beers Centenary AG, the world's largest diamond producer, said Tuesday that profit fell in 1997 for the first time in three years and that the next two sales of uncut diamonds would be "severely smaller" than year earlier levels because of weak Asian demand.

South Africa's fourth-largest company by market value said net income including retained earnings from associated companies dropped to \$1.23 billion, from \$1.34 billion in 1996.

De Beers expected about 70 percent

of the world distribution of gem diamonds, and produces about half the diamonds itself. A recession in Japan, along with plunging currencies and rising interest rates in once fast-growing smaller Asian countries, is offsetting robust demand in the United States, the biggest market.

De Beers' marketing arm, the London-based Central Selling Organization, conducts 10 sales, known as sights, every year. Sales have fallen for the past five sights as plunging currencies in Asia exacerbate an economic slowdown in Japan.

U.S. demand is expected to remain

strong, and Europe is improving, but Asia faces another difficult year, De Beers executives said. A strengthening in the yen could improve revenue from Japan, they said.

"It's much too early in the year to take a view on how the year will turn out," Nicky Oppenheimer, the chairman, said. The earnings include a one-time charge of \$4 million, which reflects a gain on the sale of shares in JCI Ltd. offset by a charge for an anticipated loss from the sale of its stake in Lonrho PLC.

The share price closed Tuesday at 98.50 rand (\$19.98), down from 99.

WORLD STOCK MARKETS

Tuesday, March 3
Prices in local currencies.

High	Low	Close	Prev.
Amsterdam	AEX	1079.27	1069.71
Brussels	BEL-20	2741.28	2749.39
Frankfurt	DAX	4757.14	4736.74
Copenhagen	Stock Market	702.09	697.90
Helsinki	HEX General	4111.34	4160.81
Oslo	OBX	701.87	697.78
London	FTSE 100	5807.70	5820.60
Madrid	Stock Exchange	793.72	792.46
Milan	MIBTEL	20304	20383
Paris	CAC 40	3414.87	3446.70
Stockholm	SX 16	3660.12	3707.54
Vienna	ATX	1425.78	1415.87
Zurich	SPI	4481.72	4489.18

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High	
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NYSE

Tuesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nasdaq prices not reflecting late trades elsewhere.
The Associated Press.

12 Month	High	Low	Stock	Div Yld	PE	100s High	Low/Latest Chge
12	12	12	AA				
12	12	12	AB				
12	12	12	AC				
12	12	12	AD				
12	12	12	AE				
12	12	12	AF				
12	12	12	AG				
12	12	12	AH				
12	12	12	AI				
12	12	12	AJ				
12	12	12	AK				
12	12	12	AL				
12	12	12	AM				
12	12	12	AN				
12	12	12	AO				
12	12	12	AP				
12	12	12	AQ				
12	12	12	AR				
12	12	12	AS				
12	12	12	AT				
12	12	12	AV				
12	12	12	AW				
12	12	12	AX				
12	12	12	AY				
12	12	12	AZ				
12	12	12	BA				
12	12	12	BB				
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ASIA/PACIFIC

For China's Middle Class, Home Is Where the Subsidy Is

Bloomberg News
SHANGHAI — Li Li, a 35-year-old cellist, and her businessman husband live in one room of a three-bedroom apartment they share with two other families.

While the three families share two bathrooms and a kitchen, Mrs. Li has no interest in moving out or making up — even as the government pushes China's emerging middle class to buy into the dream of home ownership.

The reason: Her government-subsidized rent is less than \$10 a month. "I don't want to buy an apartment, nor can I afford one," she said.

That is a big problem for government officials, who are bankrolling the construction of about \$350 billion of new apartments in the next three years — 12 million apartments — to shore up economic growth.

The building program is the centerpiece of a government push to keep the economy on track and create new jobs for the millions who will be thrown out of work by the

closure of hundreds of money-losing state companies.

It is a pet initiative of Deputy Prime Minister Zhu Rongji, an economic policymaker that the National People's Congress is likely to name as prime minister at its annual meeting this week.

Housing "is a gargantuan and limitless market, which will lead to the development of dozens of other sectors — such as home appliances and consumer electronics — according to a recent commentary by the official Xinhua news agency.

The collapse of Asian currencies promises to throttle China's exports — its main engine of economic growth — and put Beijing in the same bind that confounded governments throughout Asia the past year.

Maintain the currency's value or weaken it to shore up exports and risk setting off a free-fall that could rock banks and ignite inflation.

The economy, which grew by 8.8 percent in 1997 — its slowest rate since 1990 — is expected to slow to 7 percent, private economists say. Export growth, which surged 20 percent last year, may post little more than 5 percent growth this year.

Even among China's best paid, many workers cannot afford private rent, and ownership is out of reach.

Cash-strapped Asian businesses — which last year accounted for about three-quarters of China's \$43 billion foreign investment — will also curtail new investments.

That has left policymakers groping for alternatives that promote growth, while safeguarding the currency — hence the housing policy.

The problem is that it may not work as intended.

"I'd expect some minimal effect on the economy, beginning in

1999," said Gilbert Choi, director of China Research with Kleinwort Benson Securities.

"If I tell you your rent is raised, and down the road you will have to buy your place, your immediate reaction is you save," Mr. Choi said.

Construction firms say they are not eager to build apartments. They are not as profitable as office buildings, said Xing Chunhua, director of Beijing Agricultural Industrial Commercial Corp.

That says a lot, given that Beijing's office rents have dropped by 40 percent over the past year, with a forest of cranes still throwing up new towers all over town.

Banks, already burdened by bad loans that account for 20 percent of their total, are reluctant to add new bad debt by lending to individuals who could soon be jobless.

But weaning China's urban workers off welfare housing will not be

easy. To push people to buy their own apartments, local governments are cutting rent subsidies and state-owned companies such as Guangdong Kelon Co. are making down payments for their employees.

That is small comfort to workers worried about their own jobs and trying to scrape together enough to buy a place to call their own.

Even among China's best paid, many Shanghai workers cannot afford private rent, and ownership is out of reach. A low-cost apartment sells for 120,000 yuan (\$14,494), or about 11 years of the average salary last year of 10,663 yuan.

"Buying an apartment is my dream," said Chen Bin, a 22-year-old computer engineer whose marriage plans are on hold until he can secure an apartment.

At current interest rates, Mr. Chen said a mortgage would cost him 2,000 yuan a month, a third more than his total salary.

"I can't afford the monthly mortgage with my wages,"

Beijing to Unveil Reform Of Telephone Regulation

Reuters
SHANGHAI — China is on the verge of a major shake-up of its telecommunications sector aimed at accelerating access to the so-called information superhighway and wresting regulatory control from network operators, industry executives said Tuesday.

The plan calls for the merger of three key bodies in the telecommunications sector — the Ministry of Posts and Telecommunications, the Ministry of Radio, Film and Television and the Ministry of Electronics Industry.

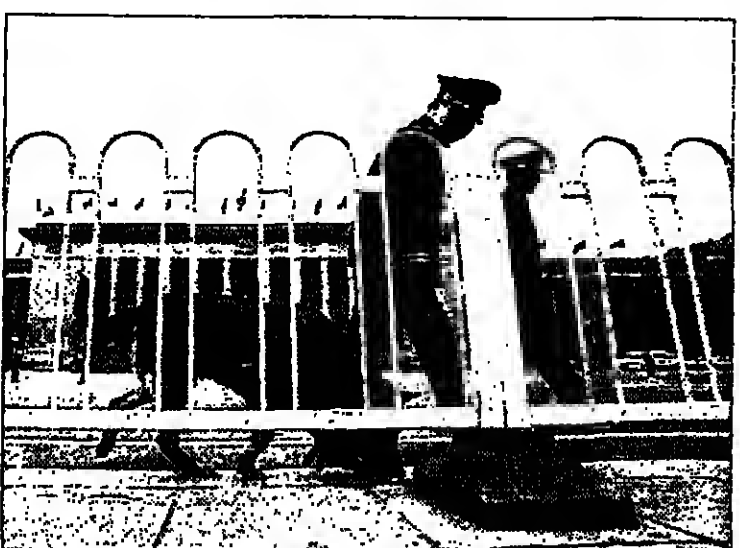
Part of an ambitious overhaul of China's government, the move would create a new body, similar to the Federal Communications Commission of the United States, that would have broader regulatory powers. The new group would be called the Information Industry Committee, executives said. The shake-up would separate the tasks of equipment manufacturing, network

operation and network regulation. "The rapid development of technology in different fields requires a different type of regulatory format," said a senior official in the telecommunications sector.

The reorganization would be part of the broad government streamlining spurred by Deputy Prime Minister Zhu Rongji, who is widely expected to take over as prime minister at the next session of Parliament.

The changes also aim to reduce wasteful spending as ministries scramble to gain a share of the market and build their own networks. "Greater coordination will probably mean a loss of some demand for our products," said an executive at a fiber-optic cable company. "But the market is still growing rapidly."

No change is expected in the restrictions on foreign companies, which are not allowed to operate telecommunications networks in China. But the fledgling domestic telephone company, China United



Police officers patrolling in Beijing on Tuesday before the opening session of the Chinese People's Political Consultative Conference.

Telecommunications Corp., or China Unicom, could be one of the main beneficiaries of the realignment.

China Unicom, set up in 1994 to challenge what was then the Ministry of Posts' telephone monopoly, has found it difficult to compete

with its powerful rival. "This should give Unicom a much fairer shake," said a foreign consultant who follows the telecommunications sector.

"It could mean Unicom no longer has to compete with the regulator."

Japan Carmakers Scale Back Plans For Production

Reuters
TOKYO — More bad news emerged Tuesday from Japan's carmakers as companies scaled back production plans for March and April in the face of poor demand at home and declining prospects for export growth.

Investors greeted the news by unloading shares in the big carmakers, which fell across the board.

Toyota Motor Corp. said it would cut its temporary work force by half to 1,500 by the end of April due to sluggish domestic demand. It had already stopped hiring temporary workers, a spokeswoman said.

The daily Nihon Keizai Shimbun reported Tuesday that Toyota would cut its daily output in April to 12,500 units, down 20 percent from a year earlier.

The newspaper also said April output by 11 Japanese carmakers would fall 11 percent from a year earlier to slightly more than 790,000 units, according to monthly production plans the carmakers submitted to their parts suppliers.

Several carmakers said they had scaled back production targets for March as well.

Honda Motor Co. trimmed its plans for production in March to 113,600 vehicles from an earlier target of 118,000, although this was still up from 110,134 a year earlier, a Honda spokesman said.

Mazda Motor Corp. said its domestic vehicle production in March was likely to fall by nearly 10 percent from 84,538 in March 1997.

Nissan Motor Co. was planning to reduce production in March by about 10 percent from an earlier projection, a Nissan spokesman said.

Toyota shares closed Tuesday at 3,450 yen (\$27.49), down 40 yen, while Nissan shed 13 yen to close at 541 yen. Mazda dropped 20 yen to 380 yen and even Honda, which was firmer for much of the session, closed marginally lower at 4,340 yen, down 10.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
15520	2350	19030		
14600	1920	16000		
12500	1600	17000		
11300	1400	16000		
2500	1200	15200		
1997	1997	1997		
Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,425.48	11,318.84	+0.94
Singapore	Straits Times	1,592.88	1,610.64	-1.10
Sydney	All Ordinaries	2,684.40	2,697.80	-0.50
Tokyo	Nikkei 225	17,168.33	17,264.34	-0.56
Kuala Lumpur	Composite	733.03	745.12	-1.62
Bangkok	SET	538.72	538.17	+0.29
Seoul	Composite Index	570.88	562.64	+1.47
Taipei	Stock Market Index	9,211.63	9,277.09	-0.70
Manila	PSE	2,258.86	2,280.56	-0.95
Jakarta	Composite Index	5,188.86	4,967.29	+4.42
Wellington	NZSE-40	2,298.09	2,288.40	+0.47
Bombay	Sensitive Index	3,646.00	3,772.61	-3.36

Source: Telekurs International Herald Tribune

Very briefly:

• Prince Waleed ibn Talal, the Saudi Arabian billionaire, intends to seal deals worth \$250 million with South Korean companies during a visit to the country next week, the London-based Asharq al-Awsat newspaper reported him as saying. The newspaper also said Prince Waleed planned to invest in a Four Seasons hotel in Seoul.

• Japanese companies are expected to suffer an average 0.4 percent drop in current profit in the year ending this month, the first decline in four years, the Daiwa Institute of Research said.

• Plutonic Resources Ltd., a gold producer that plans to merge with Homestake Mining Co., posted a loss of 62.3 million Australian dollars (\$42.3 million) for 1997 due to asset writedowns because of lower gold prices. In 1996, the company posted a net profit of 30.6 million dollars.

• Standard & Poor's Corp. raised the long-term ratings of Honda Motor Co. and American Honda Finance Corp. to A from A-minus.

• Cheil Communications Inc.'s shares rose to 22,400 won (\$14.46) from their subscription price of 12,000 won on their first day of trading on the Seoul stock exchange.

• Cheung Kong Holdings Ltd. and Hutchison Whampoa Ltd., the two flagships of Li Ka-shing, plan to spend \$600 million on a joint venture to expand their hotel businesses.

• Hong Kong's chief executive, Tung Chee-bwa, said the recent steep falls in Hong Kong's stock and property markets were "a good thing" and long overdue. He added that China's strong fundamentals meant there was no reason to devalue the yuan.

Reuters, Bloomberg

GE and Thai Firm Form Credit Venture

Reuters
BANGKOK — GE Capital (Thailand) Ltd. and the Central Group of Companies have begun a joint venture to provide consumer finance and store credit cards in Thailand, GE Capital said Tuesday.

Under the agreement, GE Capital, a subsidiary of General Electric Co. of the United States, will acquire a majority stake in Central Card Co., which issues and operates the Central charge card, GE Capital said.

The joint venture will operate and manage private-label credit cards — cards issued for individual retailers — as well as lease-purchase finance and proprietary credit services.

All Nippon to Cut Pay 3% to Bolster Profit

Agence France-Presse
TOKYO — All Nippon Airways said Tuesday it would reduce salaries of pilots and managers by an average 3 percent in hopes of improving profitability after a price war that has dented revenue and earnings at Japan's second-biggest airline.

The carrier also said Tuesday it was negotiating with foreign airlines, reported to be United Airlines Inc. of the United States and Lufthansa AG, on a joint reservations and marketing agreement known as code-sharing.

Starting in April, the company will cut the salaries of 3,000 employees with a view to saving 700 million yen (\$5.6 million) within a year.

"We are going to implement the pay cut in order to strengthen our competitiveness," a spokesman for

All Nippon said. The carrier is also considering relocating its headquarters from Tokyo to Haneda Airport, south of the city, to cut costs.

In October, All Nippon said it was suffering in a price war on domestic routes and forecast that parent pretax profit for the year to March would be 15 billion yen, down from 17.3 billion yen the previous year. Net profit was forecast at 2.3 billion yen, compared with 3.9 billion yen. Revenue was projected to total 929.9 billion yen.

All Nippon has been building its international service since 1986. The code-sharing deal eliminates the need for transferring passengers to check in again at the airport when transferring to the flight of the other airline.

Last week, Japan Air Lines Co. announced it would share codes with

American Airlines Inc. in October, in the first such tie-up between a Japanese and American carrier.

■ **JAL Said to Cut Jobs in U.S.**

Japan Air Lines was reported to have dismissed 200 full-time employees in the United States, or about a quarter of its American work force, as part of its goal to cut costs by about 2.5 billion yen over six years, Bloomberg News reported, citing unidentified sources from the company quoted by Nikkei English News.

The airline plans to subcontract operations at three New York locations, in June, and in Honolulu, possibly this year. Japan Air Lines will create a new subsidiary for its Los Angeles passenger division and the Honolulu passenger and cargo division, Nikkei English News said.

WANG: Computer Associates' Chief Seeks to Buy Service Firm

Continued from Page 15

the Computer Associates president, put on the table, but he suggested they take their offer to his shareholders. However, Mr. Wang continued, now that the offer has been made public, Computer Sciences management is refusing to let its shareholders decide and has strengthened its anti-takeover defenses.

"We had some very nice negotiations initially with Van going through these issues, and, as he said, ultimately it's the price that will determine. He said 'take it to the shareholders,' we did all of the above, and now he's preventing us from taking it to the shareholders."

In a Feb. 19 letter to Mr. Wang, Mr. Honeycutt said a takeover by Computer Associates would be bad for Computer Sciences customers and employees. Adding the company's 42,000 sales representatives is a key goal of Computer Associates, which has vowed not to fire any Computer Sciences employees. Mr. Wang acknowledged that the no-firing pledge was in part a response to his company's reputation for sharp staff cuts after takeovers.

But Computer Associates is committed to its strategy, Mr. Wang said, and is betting heavily that it is right. The company said over the weekend that its earnings would be as much as 30 percent lower in the first year after a deal was consummated than if it did not buy Computer Sciences.

In addition, Mr. Wang made a heavy personal wager. He, Mr. Kumar and Russell Artzt, executive vice president, stood to get more than \$1 billion of stock if the Computer Associates share price was more than \$53.33 for 60 days of any

12-month period. The stock was above that level for 16 days since October, including seven consecutive days up to the bid. Since then, it has fallen below that benchmark. In late trading Tuesday, the company's shares were quoted at \$46, down 62.5 cents.

When asked his reaction to losing out, at least temporarily, on becoming a multimillionaire, Mr. Wang said: "After a million what difference does it really make? I'm sending a very clear signal to my shareholders how I feel about this thing. I think strategically, it is the right thing to do. You don't do what basically Van is doing, which is to look at only what's in it for him."

After Mr. Kumar made the offer public, Computer Associates said it would pay up to \$114 per share for a negotiated deal, then made a hostile bid on Feb. 17. Its offer includes the assumption of \$700 million of debt. Mr. Wang said banks supplying financing for his bid said they could provide the extra cash, although Computer Associates would have to inspect Computer Sciences' books to determine whether an additional payment was justified.

While the companies agree that two meetings were held before the bid was made public on Feb. 11, Computer Sciences has characterized them as brief encounters, not negotiating sessions. Mr. Wang bridled at that version of events: "I'm not going to go and split hairs with anybody with negotiations," he said. "Let's put it: We talked intently on the deal, including pricing, roles, options, the fact that we're not going to be laying anybody off because of the deal. So I'm not going to get into mudslinging about what that is, whether it's nego-

tiations or not. I have done quite a few acquisitions in my career. I know when I am negotiating with somebody."

In the second negotiation, held in Scottsdale, Arizona, Mr. Wang said that Mr. Honeycutt told Mr. Kumar that he would accept a price range of \$115 to \$125 per share. Mr. Plowman said that "Mr. Honeycutt has never priced the company for anybody and he never offered to sell it to Charles."

While Computer Sciences has accused Mr. Wang of trying to bribe Mr. Honeycutt into accepting his offer, Mr. Wang offered a different view: "The first time we met he asked point blank what's in it for him. When we heard that we even had to caucus, we had to stop the meeting. Sanjay and I, we hadn't thought about addressing that issue."

Mr. Wang said a report in the Washington Post last week that Computer Sciences was looking for evidence that his company was not qualified to undertake classified work for the U.S. government was a "smokescreen."

"We have many projects that have top-secret clearance, so I don't think it's an issue today with the federal government," he said. Computer Associates did not provide a percentage of its work that is done for the government, while government contracts account for about 30 percent of Computer Sciences' sales.

If the deal falls through, Computer Associates might look for another target, Mr. Wang said, or develop its own services operation.

For now, however, "we've made this bed, so to speak, we're lying in it, and we will continue to pursue this until it's very clear that we're either going to do it or not do it."

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MSE

1945 P.M. Close

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press

[illegible]

Tuesday's 4 P.M. Close
(Continued)

[illegible]

WORLD ROUNDUP

Doby Joins the Hall

BASEBALL Larry Doby, the first black player in the American League, was elected to the Baseball Hall of Fame on Tuesday by the Veterans Committee.

The committee also chose Lee MacPhail, the former American League president, "Bullet" Joe Rogan, a Negro League pitcher, and "Gorgeous" George Davis, a shortstop from early this century.

MacPhail joins his father, Larry, as the only father-and-son combination in the Hall.

Doby became the second black major league and the first in the AL when he pinch-hit for the Cleveland Indians on July 5, 1947, against Chicago at Comiskey Park. He made seven All-Star teams and helped the Indians to a World Series championship in 1948. (AP)

Dolphins Sign 4 Players

FOOTBALL Brock Marlowe, a free-agent safety, left the Dallas Cowboys to sign a three-year contract Tuesday with the Miami Dolphins, rejoining coach Jimmy Johnson.

The Dolphins also re-signed James Brown, a tackle, to a five-year deal Tuesday. On Monday, the Dolphins had re-signed Bernie Parmalee, a running back, to a two-year contract and agreed to a two-year deal with Kevin Alexander, a free-agent wide receiver.

Ted Washington, a oose tackle, became the highest-paid player in Buffalo Bills' history, signing a five-year, \$27.3 million contract. (AP)

Sprewell in Accident

Latrell Sprewell, a guard who is suspended by the National Basketball Association, lost control of his car while changing lanes on a northern California freeway, causing another vehicle to flip over, authorities said Monday. Witnesses said Sprewell was speeding while cutting through traffic. No one was seriously injured.

Mo Vaughn, the Boston Red Sox slugger, had been drinking at a strip club before he crashed into a car parked beside the highway and flipped his pickup, according to testimony in his trial on drunken driving charges in Dedham, Massachusetts. Immediately after the accident, on Jan. 9, Vaughn failed eight sobriety tests, the police said.

Two Olympic snowboarders are due in court in Nevada on Wednesday on marijuana-related charges. Michael Kildegaard, a member of the Danish team, and Brett Tippie, a Canadian, were arrested Saturday after a deputy stopped their car for speeding. They were returning from a competition. Deputies said they found about two grams of what was believed to be marijuana and a pipe in the car. (AP)

Rolen Accepts \$10 Million

BASEBALL Scott Rolen, the National League rookie of the year last year, agreed to a new contract with the Philadelphia Phillies, accepting \$10 million over four years.

Rolen will get \$750,000 this year, \$1 million next year, \$2.5 million in 2000 and \$5.5 million in 2001. Rolen, who turns 23 on April 4, made \$175,000 last year. (AP)

Treated Like Meat

SOCCER A Romanian soccer player has been sold by his club for 500 kilograms of pork, worth about \$2,500.

Juul Petrosani, a second division team, received the meat from Valcea of the third division for Jon Radu, a midfielder. The club plans to sell the pork to pay player wages.

Petrosani also sold a defender, Liviu Baicea, to Valcea for 10 soccer balls. (AFP)



DANGEROUS GAMES — Rivaldo, right, the Barcelona striker, swerving to avoid the raised boot of Arpon of Racing Santander. Luis Figo, center, looked on. Barcelona won, 4-2, in Santander on Monday to regain first place in the Spanish league. Rivaldo scored in the 69th and 71st minutes to give his team a 2-1 lead. Santander leveled in the 80th minute, but Barcelona's other Brazilian striker, Sonny Anderson, scored twice to secure victory.

New Life for Disabled Czech Athletes

Downhill Skier and 6 Teammates Compete in Winter Paralympics

By Peter S. Green
International Herald Tribune

PRAGUE — Jan Dostal was 8 and living in Communist Czechoslovakia when he lost his left leg to cancer. When he finally returned to school, after nearly two years in and out of the hospital, his schoolmates teased him mercilessly.

"They were kids. They didn't understand what had happened to me," the 20-year-old recalled in Prague last week. "But once I showed them I could play sports like anyone else, they quickly accepted me."

He was accepted and he excelled. Last Saturday, Dostal, an accomplished downhill skier, flew with five other disabled Czech athletes to Nagano, Japan, to compete in the Winter Paralympic Games, which start Thursday.

This year, 32 countries will compete in five main sports: downhill skiing, cross-country, biathlon, curling and sledge hockey. Sledge hockey players are seated in a small sledge on skate blades and shove themselves around the ice with a pair of short hockey sticks.

The Czechs are sending seven athletes to Nagano, four physically disabled male skiers and three blind or partly sighted female skiers.

Dostal uses a single ski and loog crutch-like poles with short ski tips attached to the ends, called outriggers.

Dostal has found hope in the healing power of sport. But it has been a struggle.

In Communist Eastern Europe, handicapped children were often kept locked away in institutions and sent to schools for the learning disabled.

Dostal says it was only with the support and perseverance of his family that he was able to overcome quickly what could easily have been a life-breaking handicap.

Encouraged by his grandfather, Emil Dostal, a well-known athletics coach, and his father, Jiri, an enthusiastic amateur athlete, young Jan took up every sport he could: volleyball, basketball, swimming and even the high jump.

His father, a part-time ski instructor,

went back to school and took a course in training handicapped skiers.

"The regime didn't want us to play sports; they didn't want us to be seen," said Dostal, who is studying for a degree in coaching disabled athletes. "They wanted to show how 'clean' the country was, and that there weren't many handicapped athletes."

Jan Pauer, one of the founders of the Czech disabled sports movement, said: "Sport was the shop window of the regime. The regime wanted to show how great they were through sport, and handicapped sports weren't attractive for them. It was soccer, hockey, track and field that got the attention and the money."

Pauer lost his left leg when he fell under a Prague tram in 1958. Just before his 19th birthday, he founded the first disabled sports club in Prague in 1964.

While the top able-bodied athletes were often given jobs in state companies — with no work required — and free training, disabled athletes had to battle for funds, equipment and even time off for training.

By telling their employers they were going on medical leave, the disabled athletes would coordinate time off for training sessions and competitions.

"We came up with the idea of exchanges, instead of trips," Pauer said. "So we would pay for the stay of a Western team here, and they'd pay for our stay there, so we could afford it."

EVEN SO, the Communist authorities were loath to let too many people — athletes or tourists — travel to the West, especially after the clampdown that followed the 1968 Soviet-led invasion of Czechoslovakia.

"The best was if workers' sports organizations invited us abroad, because the regime considered them to be fellow leftists," Pauer said.

"We Czechs are pretty clever, so pretty soon we managed to get every sports organization that invited us to call itself a workers' committee."

Slowly, through trips abroad to sports meets for disabled athletes, the Czechs saw new training techniques and equipment.

But money was hard to come by, and even by 1980, with 2,000 athletes registered in disabled sports clubs, the Communist authorities were reluctant to let more than one athlete with a physician and a coach travel to a meet.

When they finally sent a team to the 1988 Paralympics in Seoul, the athletes had to promise that if they won a medal they would not ask the government for the honorarium customarily awarded medal winners by the government.

WHEN THE "Velvet Revolution" swept Czechoslovakia's ossified Communists from power, life improved for disabled athletes.

They have found corporate sponsors, and equipment and travel have been made available.

Conditions have improved for Dostal, too. Three years ago, he was given a sophisticated artificial leg worth \$5,000 — more than a year's salary for the average Czech — but he still walks with a pronounced limp from 10 years of wearing inadequate prostheses.

He also won a three-year sponsorship from the local distributor of Dynastar skis.

But funds are still tight. A preseason trip to Kaprun Glacier in Austria exhausted the ski teams' budget, leaving them with little opportunity to practice when this year's warm winter kept the Czech slopes bare of snow. It also left Dostal and others wondering where the pledges of the Paralympics sponsors have gone.

A mere 40 days of practice this season mean it is unlikely that even the top Czech skiers will bring home medals. Dostal says he is hoping to place in the top 12 in the slalom.

While the Czech hockey team was celebrated as national heroes after defeating Russia for the gold at Nagano in the nation's favorite sport, the Czechs will not even be fielding a disabled sledge hockey team at Nagano.

A lot of young handicapped people don't have any access to sports," Dostal said. "They don't even know this exists."

Time for Derring-Do
In the Champions CupStars Need to Show Some Genius
(And Quit Thinking About Money)

By Rob Hughes
International Herald Tribune

LONDON — The pulse quickens. The accounts perk up. The players of the last eight teams in the UEFA Champions League are primed for the resumption Wednesday of soccer's most precious club tournament.

Real Madrid, Manchester United, Bayern Munich and Juventus are great names in a competition that has often

EUROPEAN SOCCER

provided a seasonal lift. But are these clubs now principally finance houses? Are the teams now entirely focused on chasing profits for their clubs, or is there some small place in a player's makeup that will make him abandon conformity?

It might only take a moment of Roberto Carlos's time. Or a flicker of genius from Elber or David Beckham or Zinedine Zidane. Just let go, guys, take the risk. Make it happen.

Soccer is big business, but so is music. Andre Previn, the conductor, made a remark this week that applied to great soccer as much as to great music. He said he enjoyed conducting the London Symphony Orchestra because its musicians would take a chance; they played to order, but every now and then they would reach for something extraordinary.

In soccer we expect perfect pitch; on a soccer pitch we hope to applaud perfection. We hope for a movement that transcends modern organized frustration. Among the quarterfinalists in the Champions League, the professionals of Real Madrid are under the most pressure but also the most artistic.

The club is living with two shortfalls — its 10 billion peseta (\$65 million) debt to creditors, and the 32 years since it was last the champion of Europe.

Yet early this season, in the Champions League, I saw Real play with joy. Roberto Carlos, Clarence Seedorf, Fernando Hierro, Raul Gonzales, Petrar Mijatovic seemed like liberated children. The strict team builder, Fabio Capello, had departed to Italy. Jupp Heynckes, the German now in charge, had not then imposed his demands.

Heynckes has since persuaded the board to go deeper and deeper into debt, gambling on the European crown lifting Real Madrid's valuation. Heynckes has rebalanced midfield with Christian Karembeu, the dogged French warrior on the right and Savio Bortolini, the elusive goal-scoring Brazilian on the left.

Lorenzo Sanz, the club president, is impatient for returns. Heynckes and Sanz are squeezed by debt and expectation. There is mistrust and fear of failure, and it will be tested to extremes Wednesday, when Real Madrid plays at Bayer Leverkusen, followed by Saturday, when it plays in an even fiercer cauldron, the Spanish season's possibly decisive contest in Barcelona.

These could be a make or break four days in Real Madrid's year. Will Real entertain, to show us the soul of soccer?

Leverkusen has a Brazilian craftsman, Emerson, and Ulf Kirsten, the leading Bundesliga scorer for two seasons, to probe Real's weakness at the heart of defense. Yet Leverkusen is no champion; it finished runner-up in Germany last year and was admitted to the tournament through the distortion of a so-called Champions League that allows powerful nations but two entries.

Indeed, Germany has three teams in the final eight. Bayern Munich, the national champion, meets Borussia Dortmund, the Champions Cup holder, on Wednesday. That is good for the Germans, exploiting the opportunities, but it hardly adds excitement to the competition.

The Bundesliga heavyweights know one another too well. The Bayern president, Franz Beckenbauer, apologizes in advance should the encounter offer

more unyielding German league fare. Moreover, Bayern has recently lost to Cologne and Hertha Berlin. Dortmund is having an indifferent domestic season. So both teams will go warily to the Olympic Stadium.

Fear should play less of a role in Monte Carlo where Stadio Louis II will for once be a full to its 18,000 capacity for the visit of Manchester United. United is out to recapture a trophy it won once, 30 years ago, before all except goalkeeper Peter Schmeichel and forward Teddy Sheringham were born.

Youth and the work ethic make Manchester United effervescent. With over two months to go, United has just about wrapped up another English championship, and last Saturday, after it engaged only second gear to win at Chelsea, Luca Viali, the new Chelsea player-coach, pronounced United ready to conquer Europe. It has, said Viali, the mental strength to do what he did with Juventus and win the Champions Cup.

Not a bad recommendation. But United is without Ryan Giggs, who has a hamstring injury. Monaco may be without its young striker, David Trezeguet, but its pace and skill will test United's European pedigree.

In Turin, Italian experience meets Ukrainian aspiration. Juventus has appeared in three successive European Champions League finals and tops Serie A. Edgar Davids injects hard running. Zidane has skill to spare, and Alessandro Del Piero is among Europe's most consistent big-night strikers.

Yet Dynamo Kiev has resisted the temptation to sell its young stars. It still has Sergei Rebrov and Andrei Shevchenko, goal scorers money has not been able to buy, and Valeri Lobanovsky, a wily coach.

"Big name players get so far and become complacent," Lobanovsky said. "Look at Ronaldo. He's still improving, as he should at his age. But he stands around when he isn't scoring. I wouldn't swap him for Shevchenko, who puts in valuable team work."

Lobanovsky admires Juventus, but not too much. "We all know who Juventus are," he said, "but I'm not sure the Italians know who we are. Let them think we are nobody from nowhere. Let them think they will do us easily in both legs. Let them think Ukrainians hibernate for the whole winter. Their ignorance is our 12th player."

It might be, comrade, if Marcello Lippi, the Juventus coach was an ignorant man. He is anything but. Lippi's thoroughness, his industry and his team's effectiveness, so industrious in fact that there is rarely a pause for creation; a little time for fun.

Rob Hughes is on the staff of The Times of London.

Kidnapping Ends in Russia

Kidnappers in southern Russia have released the 11-year-old daughter of the president of the Russian Premier Division soccer club Vladikavkaz Alania, Reuters reported Tuesday from Moscow.

A police spokesman in the volatile region of North Ossetia said Zalina Bitarova was at home with her parents after being held for ransom for 66 days by unidentified kidnappers.

"She had been held on the outskirts of Vladikavkaz in the basement of a house," the spokesman said by telephone.

The girl was seized from outside her school in December. The Interfax press agency said kidnappers had demanded \$3 million for her release but later scaled down their demands.

The police declined to say whether any ransom money was paid. None of her captors has been arrested.

Baraz Bitarov is president of Alania Vladikavkaz, based in the region's main city. The club won the Russian Premier League championship in 1995.

NATIONAL LEAGUE
FLORIDA — Signed contract of C. Gregg Zavr and SS Edgar Renteria.

PITTSBURGH — Announced working agreement with Hyundai Unicorns of Korean Baseball League. Renewed contract of Jose Guillen.

SAN FRANCISCO — Agreed to terms with SS Rich Aurilio and OF David Powell on 2-year contracts.

ST. LOUIS — Signed NT Ted Washington to 5-year contract.

DETROIT — Signed QB Jim Miller to 1-year contract.

KANSAS CITY — Signed WR Derrick Anderson.

MINNESOTA — Named Chip Moyer as new back coach and Hubbard Alexander as 2-year coach.

PHILADELPHIA — Signed G Keith Smith to 2-year contract. Signed WR Rico Cannon, G Pat Kirt, DT Matt Stum and WR Steve Wynn.

SEATTLE — Re-signed RB Steve Brunner to 3-year contract.

TENNESSEE — Signed DT Henry Ford to 1-year contract.

NATIONAL HOCKEY LEAGUE
CAROLINA — Signed D Mark McCrory. Los Angeles — Re-signed G Frederic Chabot from Houston, IHL.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

TODAY'S RESULTS

Tampa Bay 6, Kansas City 2	1
San Diego 3, Detroit 1	2
New York Yankees 12, Cleveland 8	3
Philadelphia 8, Baltimore 4	4
Boston 13, Pittsburgh 8	5
Baltimore 11, Montreal 9	6
Cincinnati 7, Toronto 0	7
Florida 5, New York Mets 4	8
St. Louis 13, Los Angeles 5	9
Seattle 9, Oakland 7	10
Anaheim 17, San Francisco 10	11
Chicago White Sox 8, Chicago Cubs 3	12
Arizona 7, Milwaukee 4	13
San Diego 6, Colorado 4	14

COLLEGE TOURNAMENTS

NITRO ATLANTIC ATHLETIC CONF.

CHAMPIONSHIP

Iona 91, Siena 75

MID-CONTINENT CONFERENCE

CENTRAL

Valparaiso 64, Buffalo 73

MISSOURI VALLEY CONFERENCE

CHAMPIONSHIP

Illinois St. 84, SW Missouri St. 74

NORTHEAST CONFERENCE

CHAMPIONSHIP

Fairleigh Dickinson 103, Long Island U 91

WEST COAST CONFERENCE

CHAMPIONSHIP

San Francisco 61, Gonzaga 67

THE AP TOP 25

Top 25 teams in AP men's basketball poll.

With 1st-place votes in parentheses, records through March 1, total points based on 25 points for 1st-place vote through 1 point for 25th-place vote, and previous ranking:

Miami	41	18	0-0	—
New York	33	23	5-0	8
New Jersey	30	28	5-0	11
Washington	30	28	5-0	11
Orlando	29	29	5-0	11

RECORD

Pts

Pct

Boston 28 30 .483

Philadelphia 19 37 .339

CENTRAL DIVISION

Chicago 40 14 .741

Indiana 35 23 .607

Charlotte 35 23 .607

Atlanta 34 24 .586

Cleveland 31 27 .534

Milwaukee 28 28 .500

Detroit 27 31 .465

WESTERN CONFERENCE

Midwest Division

Utah 39 14 .736

San Antonio 40 18 .690

Minnesota 31 26 .544

Houston 28 29 .491

Vancouver 14 43 .246

Dallas 11 47 .190

Golden State 12 46 .207

PACIFIC DIVISION

Seattle 44 13 .772

LA Lakers 39 18 .684

Portland 39 24 .617

NORTH DIVISION

W L T Pts GF GA

New Jersey 38 16 4 82 122 119

Philadelphia 30 18 9 69 166 128

New York 26 22 11 63 161 155

N.Y. Rangers 18 26 12 62 146 108

Buffalo 20 31 4 83 153 167

Florida 22 30 5 84 157 153

Tampa Bay 12 38 9 53 114 194

PITTSBURGH

P L T Pts GF GA

Pittsburgh 28 23 7 63 170 151

Boston 22 22 8 62 152 145

NORTH DIVISION

W L T Pts GF GA

New Jersey 38 16 4 82 122 119

Philadelphia 30 18 9 69 166 128

New York 26 22 11 63 161 155

N.Y. Rangers 18 26 12 62 146 108

Buffalo 20 31 4 83 153 167

Florida 22 30 5 84 157 153

Tampa Bay 12 38 9 53 114 194

PITTSBURGH

P L T Pts GF GA

Pittsburgh 28 23 7 63 170 151

Boston 22 22 8 62 152 145

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

W L Pct GB

ATLANTIC DIVISION

W L Pct GB

SPORTS

The Goonsmanship in the NBA

New York Times Service
LOST somehow, so quickly, amid the spur and whip of the tumultuous NBA season, was the paltry punishment ladled out by the league on Keith Askins, the Miami Heat forward, who, as some court-side reporters said, "nearly took the head off" Keith Van Horn.

Askins crashed like a bull into Van Horn as the New Jersey Nets' forward sailed unprotected through the air on a drive to the basket Saturday.

Askins was obviously "sending a message" to Van Horn and the Nets.

On Sunday, the National Basketball Association suspended Askins for two games and fined him \$10,000. That "message" causes a minor inconvenience for the Heat. For Askins, a typically well-heeled NBA player, it was an almost imperceptible thinning of his wallet.

Even the National Hockey League, that avatar of mayhem, imposed a four-game suspension without pay on Gary Suter for viciously cross-checking Paul Kariya, causing a concussion and relegating Kariya to the sidelines for what doctors believe may be the rest of the season, if not longer.

The NBA has a wonderful forum for

Fantasy Point/IRA BIRKOW

entertainment. It is a tough sport and, when played at its best, often performed with judicious muscle. But goonsmanship not only diminishes the sport, but also risks serious and perhaps career-ending injury.

VAN HORN lay on the court for a brief, fearful period. Van Horn then rose unsteadily, but continued on.

Whether Askins, as is highly probable, was following some order, direct or through coachy osmosis, from the sainted Pat Riley, his blatant foul was clearly intended to try to intimidate Van Horn, the celebrated rookie, and the rising Nets. Miami holds first place in the teams' Atlantic Division, and Van Horn may be the key that unlocks the Heat's hegemony.

The Askins foul apparently worked — for a while. The Heat came back from a 15-point fourth-quarter deficit to defeat the Nets at home. The next night the two teams met again. The Nets played with guile and grit at Miami, but lost by a point. Van Horn demonstrated his mettle

by rebounding from Askins' assault with 22 points, the high for his team.

Riley excused the Askins play by saying it was "a hard foul."

There are indeed hard fouls, and baskets should not go uncontested.

But a player's well-being should not be imperiled. Nor should this be a case of artistic judgments. The league, to its credit, disagreed with Riley and leveled its top-level flagrant foul — of two levels. Flagrant foul two is "unnecessary and excessive."

It seems there should be a third level, since level two doesn't quite cut it. If there were a flagrant foul three, it would be meted out when, as in Askins' foul, serious injury could have been inflicted.

"The league has done a good job in stopping the fighting," said Willis Reed, an executive with the Nets. "I'm sure it could do the same with fouls of that nature." He is correct.

It should have sent Askins and others — players and coaches who like to do the same — a stiffer message. Five games at home without pay for the perpetrator sounds about right.

NHL Clampdown on Fouls Draws Fire

The Associated Press
INGLEWOOD, California — It does not take much to upset Mike Keenan, the Vancouver Canucks' coach.

Just ask anyone who has played for him. Only now, he has a new reason to be angry — the frequency of penalties being called in National Hockey League.

Keenan's patience with the referee Mick McGough wore thin during the game with the Los Angeles Kings that ended in a 2-2 tie Monday night.

But the same could be said of the usually mild-mannered Larry Robinson, whose Kings had to defend nine power plays for the second consecutive game.

"How long can this go on?" Robinson asked. "I thought it was being done to improve the game. But if this is improvement, I don't know. It's just a shame."

Keenan described his disdain for the crackdown on restraining fouls, saying: "It was very difficult to get any syn-

chronicity into the game. The flow of the game was really disrupting for both teams with 18 power plays.

"It was a good example of a night where two teams really wanted to go at it hard, forecheck and take the body. And it ended up just being about special teams."

"The players don't enjoy it," Keenan said, "and I'm sure the fans don't, either. I agree that interference-obstruction is a good area to address, but maybe the timing could be questioned."

The coach might get an argument, however, from the league's offensive stars — including one of his own.

Mark Messier, who opened the scoring with a shorthanded goal, is enjoying the extra skating room he has seen since the rules were changed during the league's Olympic break.

"It's certainly going to be different until the players adapt to it," Messier said. "There's going to be an adjust-

ment period, but I don't think it's going to take anything away from the game. I think the idea is to enhance the game."

Rob Blake, a Kings defenseman, agreed, adding that bigger players now have an advantage.

"The thing we have to do to our advantage is that we're big, and we can get in the way," he said. "When a guy steps in front of another guy, not once do they call it. It's everything either with the stick or with the hands."

"So our guys realize that they can use their bodies. Marty Norstrom does it the best on our team. When you skate in front of a guy and hold him up that way, you're going to get away with that all night long."

The Kings escaped harm from the penalties called against them, holding off the Canucks, who have scored only three times against Los Angeles in 47 opportunities with a man advantage over the past two seasons.

'On a Roll,' Hasek Shuts Out Rangers

The Associated Press
Dominik Hasek shut out the New York Rangers for the third straight game, stopping 32 shots in extending Buffalo's unbeaten streak to 13 games.

Alexei Zhukov had the only goal in the Sabres' 1-0 victory Monday night.

The previous night, Hasek shut out Washington. He has nine shutouts this season and won a gold medal with the Czech team at the Olympics.

"I don't know if it's true that I'm the best, but right now I'm on a roll," said Hasek. The NHL's player of the month twice this season. "If I play for the Buffalo Sabres or the Czech Republic — we are winning, and I feel great about that."

"I read a story in The New York Times where they said something nice about me, so I had to prove it tonight. It's always a special day for me in Madison Square Garden, but I never won a game here until this year, and since then I have three shutouts in row."

Hasek has not allowed New York a goal for 198 minutes, 46 seconds. It's

the first time in Sabres history they shut out a team three times in a row.

"He's the best player in the game right now," Wayne Gretzky said. "He's at a level one or two in the game is at. He's just sensational."

NHL Roundup
Devils 4, Flyers 3 Host New Jersey beat Philadelphia for the third succes-

sive time and has outscored the Flyers, 13-4. But the Devils, who are unbeaten in eight games, the last seven of them victories, blew a 3-0 lead, then won it on Steve Thomas's strange goal.

Thomas broke free and was bearing down on goalie Ron Hextall, who came out of his net late. Thomas poked the puck off Hextall's pad, and it trickled slowly into the net.

Oilers 5, Avalanche 4 In Denver, Scott Fraser scored 11 seconds into overtime as Edmonton ended a 13-game winless streak against Colorado. Fraser and Bill Guerin each finished with two goals for the Oilers, who

squandered a 2-0 lead and then overcame a 4-2 deficit to beat the Avalanche for the first time since Dec. 7, 1995.

Edmonton was 0-12-1 during that stretch.

Red Wings 3, Coyotes 1 Sergei Fedorov, in his second game after a long bout, scored his first goal of the season for the visitors.

Fedorov got the point when he took a pass from Steve Yzerman and one-timed a shot past Nikolai Khabibulin.

Penguins 3, Maple Leafs 1 In Pittsburgh, Alexei Morozov and Stu Barnes scored 1:33 apart as the Penguins scored on three of their first four shots.

Rob Brown scored Pittsburgh's first goal with only 1:12 gone, one of two Penguins power-play goals as they took a 3-1 lead over Toronto in the opening 4:49. The Penguins had converted only two of their previous 26 power-play attempts.

Hurricanes 3, Sharks 1 Gary Roberts picked up two goals and an assist while Trevor Kidd stopped 43 shots for Carolina at San Jose.

Stars 4, Blackhawks 1 In Chicago, the Stars scored four goals in the first two periods to beat the Blackhawks for the first time since Dec. 7, 1995.

Blues 4, Predators 1 In St. Louis, the Blues scored four goals in the first two periods to beat the Predators for the first time since Dec. 7, 1995.

Canucks 4, Flames 1 In Vancouver, the Canucks scored four goals in the first two periods to beat the Flames for the first time since Dec. 7, 1995.

Wings 4, Oilers 1 In Detroit, the Wings scored four goals in the first two periods to beat the Oilers for the first time since Dec. 7, 1995.

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Wings 4, Oilers 1 In Detroit, the Wings scored four goals in the first two periods to beat the Oilers for the first time since Dec. 7, 1995.

Maple Leafs 4, Penguins 1 In Toronto, the Maple Leafs scored four goals in the first two periods to beat the Penguins for the first time since Dec. 7, 1995.

Blackhawks 4, Stars 1 In Chicago, the Blackhawks scored four goals in the first two periods to beat the Stars for the first time since Dec. 7, 1995.

Iona Gains NCAA Berth By Rumping Over Siena

The Associated Press
Iona gained its first NCAA tournament berth since 1985 when it beat Siena in the Metro Atlantic final.

John McDonald scored 24 points — 10 in a row for the Gaels late in the game — as Iona won, 90-75, on Monday night in Albany, New York, to gain the conference's guaranteed NCAA place.

The last two years, the Gaels entered

COLLEGE BASKETBALL

the Metro Atlantic Athletic Conference tournament seeded No. 1, but failed to reach the final.

Iona (27-5) won more than 20 games in each of the last two seasons, but settled for National Invitation Tournament bids.

McDonald saved the Gaels whenever Siena (17-12) got close. After the Gaels pulled to 68-63 with 5:04 to play, McDonald came through with key baskets and then hit six of seven free throws in the final 4:34 to keep Iona safely ahead.

San Francisco 80, Gonzaga 67 In Santa Clara, California, San Francisco earned its first trip to the NCAA's since 1982 with a 80-67 victory over Gonzaga in the West Coast Conference title game. The Dons, national champs in 1955 and 1956, will be making their 15th tournament appearance.

Ra'ouf Sadi scored 14 of his career-high 18 points in the second half as the Dons (19-10) went on an 11-0 run early in the second half to take a 53-42 lead.

M. J. Nodilo added 16 points for San Francisco, which has won six straight games. Man Santangelo had 15 points to lead Gonzaga (23-9), the conference's regular-season winner and twice victors over the Dons this year.

Fairleigh Dickinson 105, Long Island University 91 In New York, Fairleigh Dickinson scored a career-best 37 points as Fairleigh Dickinson beat Long Island University for the Northeast Conference title. FDU makes its third trip to the NCAA and first since 1988.

The Knights (23-6) overcame an 11-point second-half deficit with a 41-16 run to beat the Blackbirds (21-10) and end LIU's 23-game home winning streak.

Illinois State 84, Southwestern Missouri State 74

In St. Louis, LeRoy Watkins had 18 points and Dan Muller 17 as Illinois State (24-5) avenged its only two conference losses by beating Southwestern Missouri State (16-16) in the Missouri Valley Conference title game.

The Redbirds, winners of 13 of their last 14 games, became the first MVC team to win the regular season and conference tournament titles in consecutive seasons.

In the semifinals of the Mid-Continent Conference tournament, Valparaiso beat Buffalo, 84-73, and Youngstown State defeated Old Roberts, 75-60. The winners meet tonight with an NCAA berth on the line.

Coach in Serious Condition
 Coach Cole, 56, the Miami of Ohio coach, remained in serious but stable condition Tuesday after he suffered a heart attack during a Mid-American Conference tournament game. The Associated Press reported from Kalamazoo, Michigan.



Shaquille O'Neal, the Lakers' volatile center, shooting over the Wizards' forward Ben Wallace in a game Washington won, 96-86.

After the Lakers Lose, O'Neal Goes on Offensive

The Associated Press

WASHINGTON — Shaquille O'Neal bitterly complained about his teammates and the officiating, then invited the National Basketball Association to fine him.

He didn't say a word about his own missed dunk and the bricks that passed for his free-throw attempts.

O'Neal unleashed a profane monologue in the locker room after the slumping Los Angeles Lakers' loss on Monday night to the Washington Wizards, 96-86.

Chris Webber had 31 points to lead Washington, leaving O'Neal angry at teammates and the referees in his second straight postgame tirade.

First, O'Neal did not like it that two Laker teammates, Rick Fox and Eddie Jones, were firing up quick 3-pointers. They made four of 12. O'Neal, who had 28 points and 15 rebounds, complained about the "wannabes" on the Lakers.

"Those off-balance, one-legged, fadeaway 3s won't get it done in this league," he said.

Then O'Neal turned his wrath on the officials. After the Lakers' back-to-back road losses at New York and Washington, O'Neal said going home to the Great Western Forum would not make any difference.

"No, I don't get no calls there, either," O'Neal said. "It don't matter. I might have to break somebody's facial structure to get a call. I might have to do that next game."

"If they don't want to get them off me, I'll get them off myself," he said. "If they want to fine me for my comment, take double. I don't care. Take triple."

A continuing problem for O'Neal is

that he has trouble shooting free throws. He was 4-for-9 on Monday, keeping him under 50 percent for the season. Washington was deliberately fouling him to force him to the line in the waning minutes.

O'Neal also missed a dunk and several more short shots. He had five

turnovers, and his flagrant foul of Webber late in the fourth quarter put a symbolic end to the Lakers' hopes.

Calbert Cheaney led Washington with 21 points and eight rebounds. Rod Strickland had 19 points, eight assists and six rebounds.

Hornets 112, Warriors 83 Glen Rice's team-record 135-game streak of scoring in double figures ended, but Matt Geiger scored a career-high 29 points to lead Charlotte past road-weary Golden State. Geiger hit 13 of 17 field-goal attempts and grabbed seven rebounds before he and the rest of Charlotte's starters sat out the last quarter of the Hornets' victory.

Pistons 100, Mavericks 94 Grant Hill scored 35 points as Detroit defeated Dallas in Auburn Hills, Michigan. Jerry Stackhouse had 20 points, including four straight during a crucial run late in the final quarter. Jerome Williams had a career-high 14 rebounds. The Mavericks got 21 points each from Michael Finley and Cedric Ceballos, who had 17 from the free-throw line.

Suns 116, Kings 88 Tim Duncan had 29 points and 17 rebounds, and David Robinson had 22 points and 7 blocks as San Antonio won in Sacramento. Robinson played 28 minutes in his second game after missing six with a knee injury.

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